2022 FIRST QUARTER EARNINGS CONFERENCE CALL

MAY 5, 2022

Consolidated Financial Results – Highlights

Quarter Ended March 31,	2022	2021
Net income per diluted share	$ 1.12	$ 0.74
Net investment gains (losses) per diluted share	$ (0.01)	$ 0.77
Adjusted operating income (loss) per diluted share	$ 1.13	$ (0.03)
GAAP combined ratio	89.5%	107.2%
Book value per share	$ 33.27	$ 32.79
Return on equity	13.2%	9.1%

Property and Casualty Business Highlights

- **Q1 2022 Results**
  - Combined ratio of 89.5% is the second consecutive quarterly combined ratio below 90 percent, first time in 7 years reported back-to-back quarters with below 90 percent.
  - Core loss ratio improved 17.4 pts in Q1 2022 as compared to Q1 2021.
  - Commercial auto loss ratio in Q1 2022 improved 41.2 percentage points as compared to Q1 2021 due to a decrease in severity of claims and favorable prior accident year reserve development.
  - Prior accident year favorable reserve development $6.7M in Q1 2022 compared to favorable reserve development of $13.3M in Q1 2021.
    - Favorable reserve development for the current quarter was driven by commercial auto line of business.
  - Catastrophe losses below prior year and historical average, adding 2.6 percentage points to the combined ratio in Q1 2022 compared to 11.3 percentage points in Q1 2021. Historical average for catastrophe losses in first quarter is 3.3 percentage points added to the combined ratio.
  - $234M in net premiums earned in Q1 2022– a decrease of 9.6% over Q1 2021 primarily due to our strategic plan in non-renewing underperforming accounts in commercial auto line of business and exit of personal lines business.

Property and Casualty Business

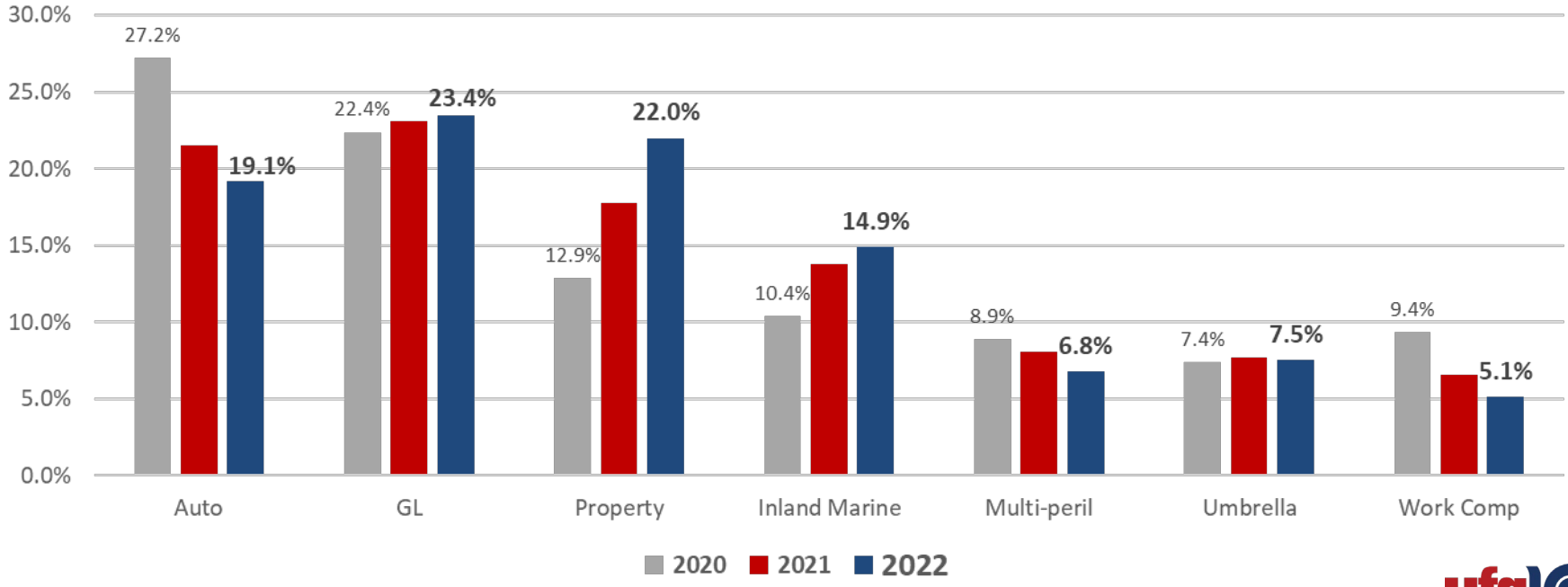
Strategic Plan: "One UFG boldly forward"

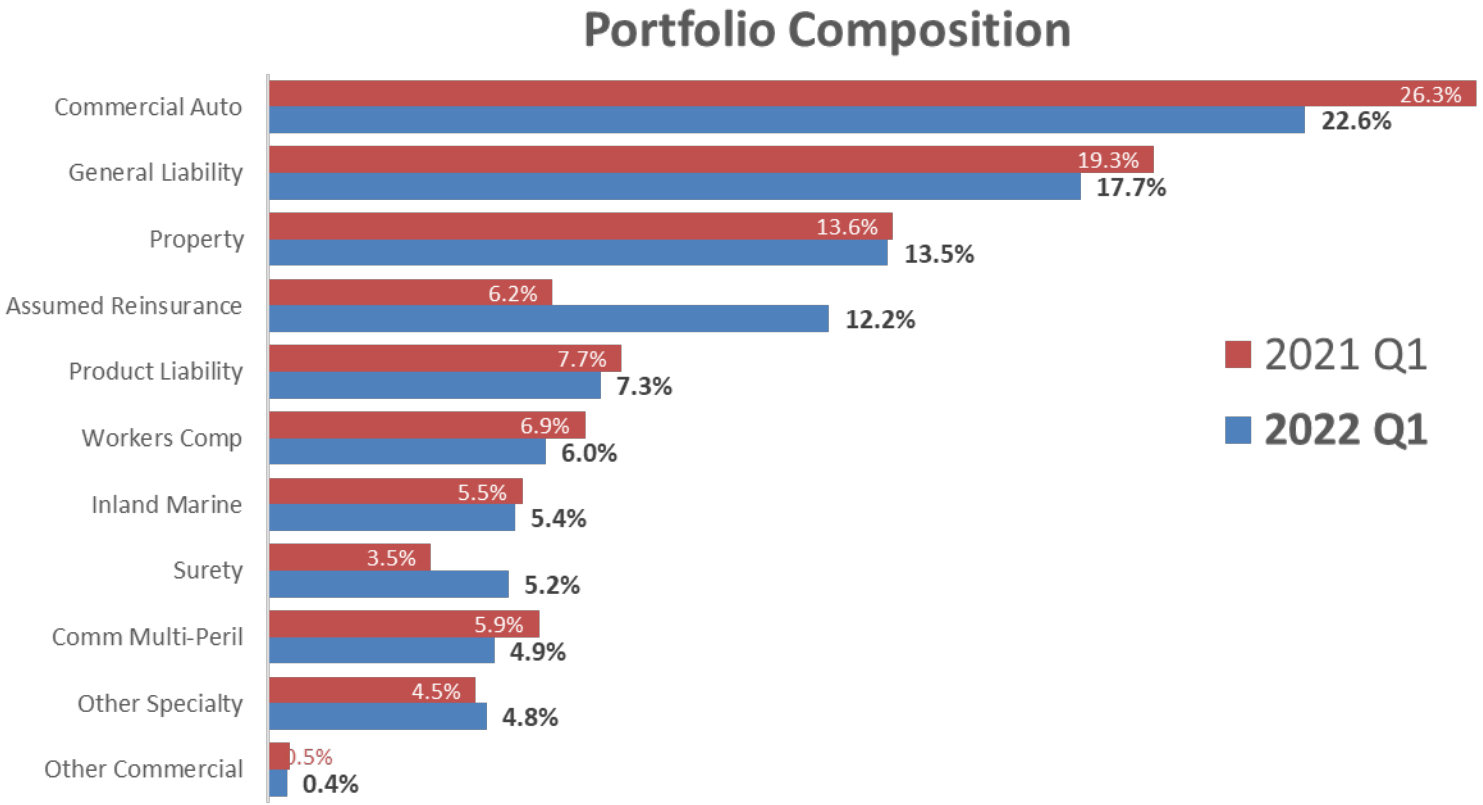
- Several initiatives aimed at long-term profitability, diversified growth, and continuous innovation.
- Portfolio management initiatives include diversifying our book of business and targeting attractive markets and products.
  - Includes reducing size of commercial auto book by non renewing underperforming accounts and reducing the number of commercial auto exposure units.
  - Growth in profitable lines: E&S, surety and assumed reinsurance.
- Underwriting initiatives include targeted rate increases with continued focus on commercial auto, commercial property and umbrella. Also, a focus on commercial property risk selection and umbrella limits management. Overall, pursuing profitable growth opportunities.
- Claims initiatives include shorting cycle time, reducing legal expenses and the impact of litigation.
- Expansion of analytics and digital capabilities

P & C Market Conditions

- **Change in Renewal Premiums YTD 2022:**
  - Overall change in renewal premiums 7.6% YTD
    - 2.4% from exposure changes, 5.2% from rate increases
  - Excluding workers' compensation, overall change in renewal premiums 9.0% YTD
    - 2.4% from exposure changes, 6.6% from rate increases
  - Rate increases led by commercial auto and commercial property
    - Commercial auto average increase was 7.4%
    - Commercial property average increase was 10.1%.

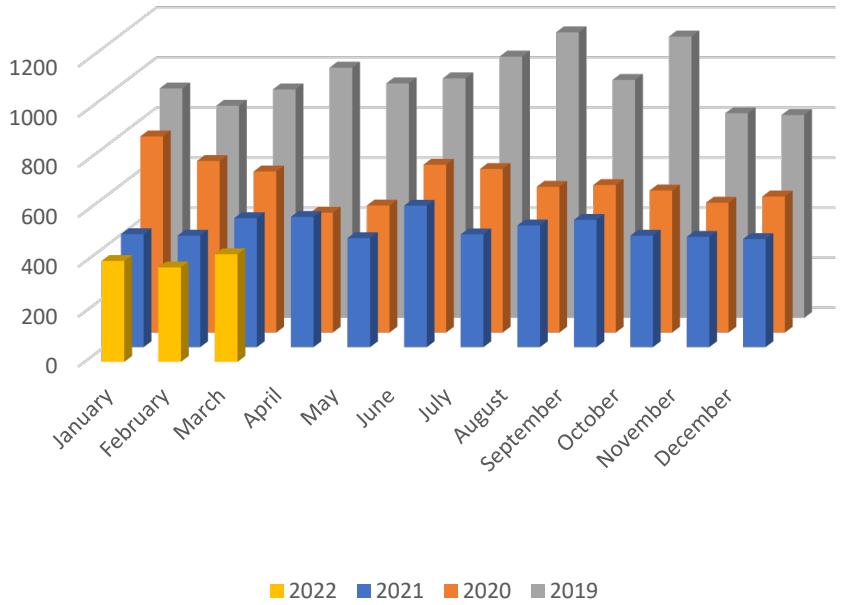
Direct New Business Premium Breakdown (Excluding Surety and Specialty)



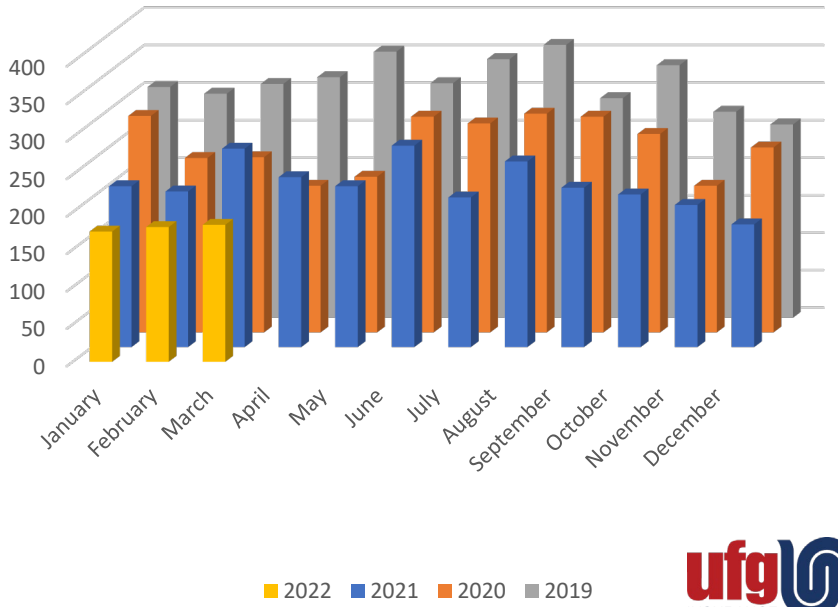

Portfolio Composition
Commercial Auto
26.3%
22.6%
General Liability
19.3%
17.7%
Property
13.6%
13.5%
Assumed Reinsurance
6.2%
12.2%
Product Liability
7.7%
7.3%
Workers Comp
6.9%
6.0%
Inland Marine
5.5%
5.4%
Surety
3.5%
5.2%
Comm Multi-Peril
5.9%
4.9%
Other Specialty
4.5%
4.8%
Other Commercial
0.5%
0.4%
2021 Q1
2022 Q1

Claim Counts of Major Commercial Casualty Lines

CA BI+PD Liability Claims Counts
Claims down 21% YTD

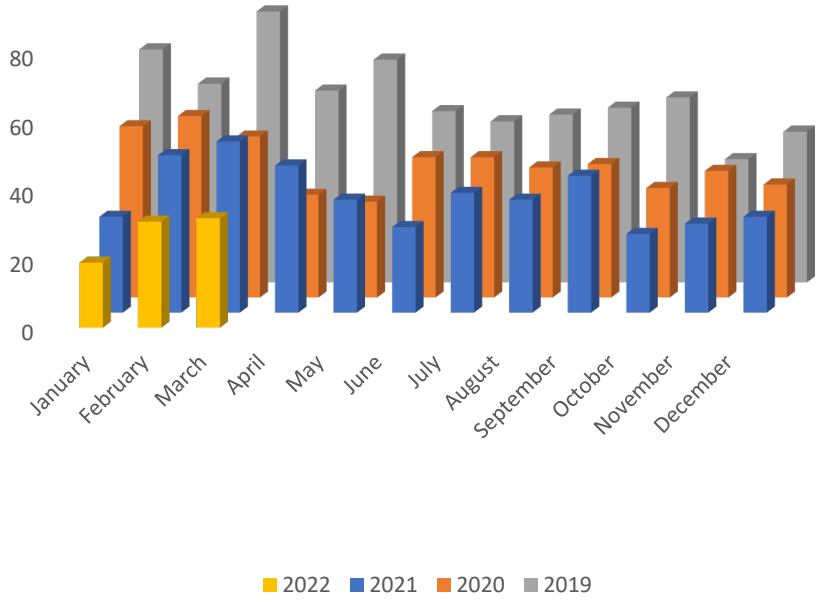


CGL BI+PD Liability Claims Counts
Claims down 13% YTD

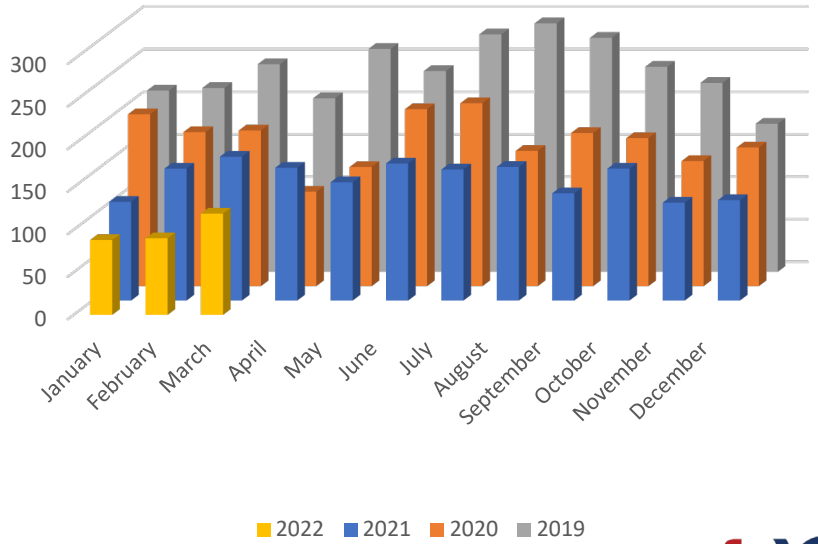


Claim Counts of Major Commercial Casualty Lines

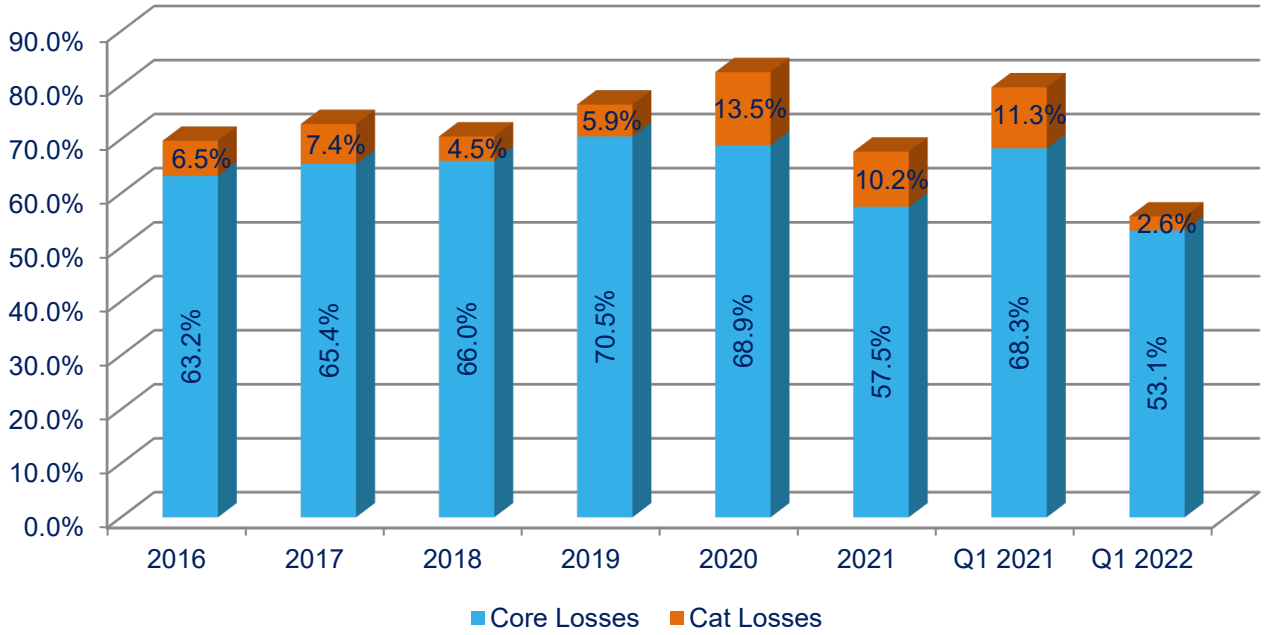
BOP Liability Claims Counts
Claims down 9% YTD



Work Comp Claim Counts
Claims down 17% YTD



Core Loss Ratio vs. Catastrophe Losses



Cat losses in Q1 2022 added 2.6 percentage points to the loss ratio.

Adjusted Loss Ratio

Adjusted Loss Ratio	2022 Q1	2021 Q1	
P&C Loss Ratio (as reported)	55.7%	79.6%	
Impact of Catastrophes	-2.6%	-11.3%	
Loss Ratio Ex-Catastrophes	*53.1%*	*68.3%*	
Impact of Reserve Development	2.9%	5.1%	
Loss Ratio Ex-CAT and Ex-Development	***56.0%***	***73.4%***	***-17.4%***

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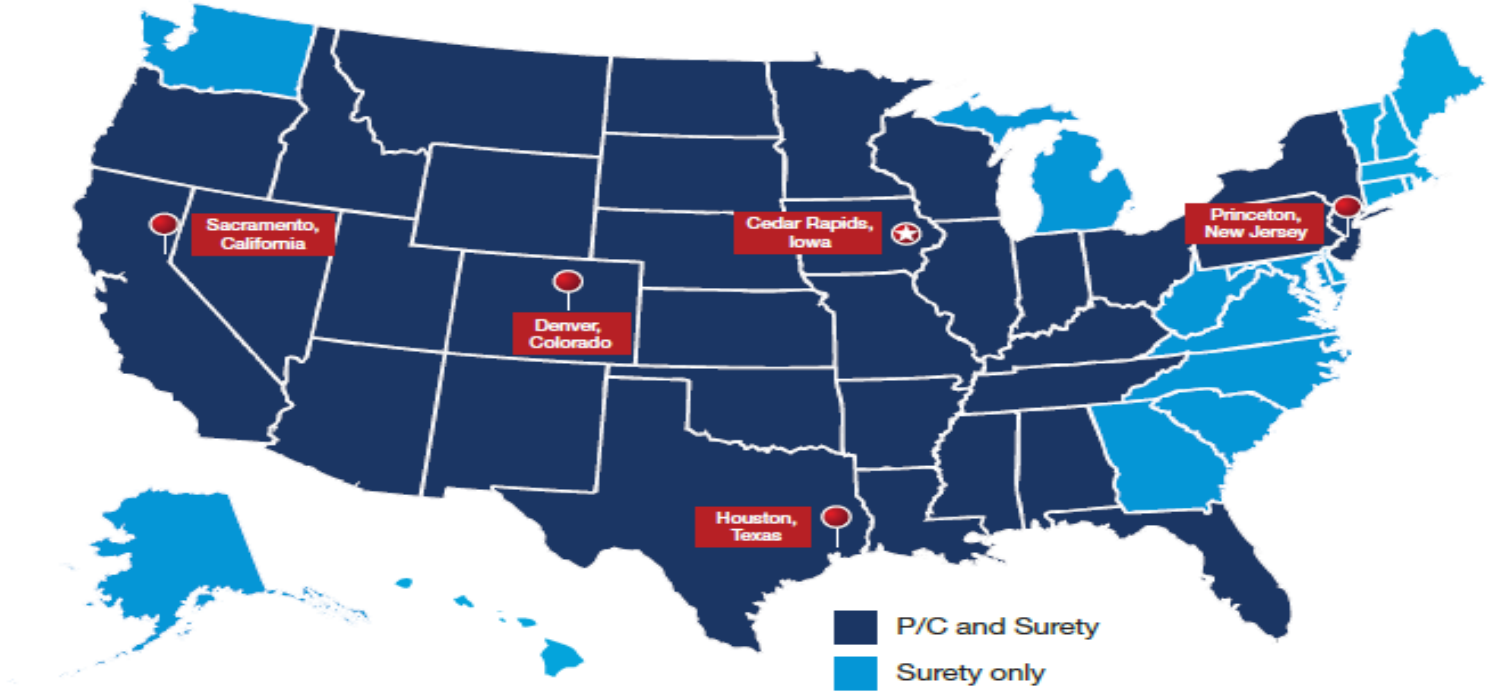
P & C Geographic Footprint



Regional Underwriting Offices in Cedar Rapids, Iowa (corporate headquarters); Denver, Colorado; Houston, Texas; Princeton, New Jersey; and Sacramento, California.

Headquartered in Cedar Rapids, Iowa, UFG is represented by independent agents throughout the country. UFG is licensed and actively writing P&C and surety bonds in the 33 states shaded dark blue. The 17 states shaded light blue, plus the District of Columbia, are currently licensed and able to write surety bonds only.

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Recognition

- Rated A (Excellent) by A.M. Best Company in December 2021 for the 28th consecutive year.
- United Fire & Casualty Co. has been named a Super Regional Property/Casualty Insurer™ every year since 2006 by *Insurance Journal* magazine.
- Placed on July 2019 *Best's Review* list of Top 200 U.S. Property/Casualty Writers.
- Named a Five-Star Carrier by *Insurance Business America* in 2019.
- Named to *Business Insurance*'s Annual Best Places to Work in Insurance list in 2019.
- Named to *The Des Moines Register's* Annual Top Workplace in Iowa list in 2021.