FIRST QUARTER 2023 RESULTS

MAY 9, 2023

Safe harbor statement and non-GAAP measures

This presentation may contain forward-looking statements about our operations, anticipated performance and other similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. The forward-looking statements are not historical facts and involve risks and uncertainties that could cause actual results to differ from those expected and/or projected. Such forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company, the industry in which we operate, and beliefs and assumptions made by management. Words such as "expect(s)," "anticipate(s)," "intend(s)," "plan(s)," "believe(s)," "continue(s)," "seek(s)," "estimate(s)," "goal(s)," "remain(s) optimistic," "target(s)," "forecast(s)," "project(s)," "predict(s)," "should," "could," "may," "will," "might," "hope," "can" and other words and terms of similar meaning or expression in connection with a discussion of future operations, financial performance or financial condition, are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. Information concerning factors that could cause actual outcomes and results to differ materially from those expressed in the forward-looking statements is contained in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K/A for the year ended December 31, 2021, filed with the Securities and Exchange Commission ("SEC") on March 1, 2023. The risks identified in our Annual Report on Form 10-K/A and in our other SEC filings are representative of the risks, uncertainties, and assumptions that could cause actual outcomes and results to differ materially from what is expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release or as of the date they are made. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

This presentation also includes certain non-GAAP financial measures within the meaning of Regulation G, including “adjusted operating income (loss)”. Refer to information about the non-GAAP measures contained in this presentation. Additional information as required by Regulation G are available in our Annual Report on Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at http://ir.ufginsurance.com under “Financial Documents”. Investors are cautioned not to place undue reliance on these non-GAAP measures in assessing our overall financial performance.

ufg INSURANCE

Highlights

First quarter 2023

- Net income of $0.7 million
- Net premiums written(1) of $273.3 million increased 13.4% compared to the first quarter of 2022
- Four consecutive quarters of total net written premium growth with core commercial lines now also contributing to enterprise growth
- GAAP combined ratio of 104.0% including an underlying loss ratio(2) of 63.5%, catastrophe loss ratio of 4.6%, and expense ratio of 35.8%
- Underlying combined ratio of 99.3%
- Net investment income of $12.7 million increased 12.8% compared to the first quarter of 2022
- Book value per common share increased 1.5% to $29.80, compared to $29.36 at December 31, 2022
- Return on equity of 0.4%

1) Net premiums written is a performance measure reflecting the amount charged for insurance policy contracts issued and recognized on an annualized basis at the effective date of the policy.

2) Net underlying loss ratio is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior period reserve development.

ufg INSURANCE

Financial results

Consolidated financial results

(In Millions, Except Per Share Data)	First Quarter 2023	First Quarter 2022
Net premiums written	$273	$241
Net premiums earned	$256	$234
Net underlying loss ratio [1]	63.5%	57.5%
Catastrophe loss ratio	4.6%	2.6%
Reserve development (excl. catastrophe)	0.1%	(4.4%)
Net loss ratio	68.2%	55.7%
Underwriting expense ratio	35.8%	33.8%
Combined ratio	104.0%	89.5%
Underlying combined ratio [2]	99.3%	91.3%
Net investment income	$13	$11
Net investment gains (losses)	($2)	($0)
Other income (loss)	($1)	($1)
Net income (loss)	$1	$28
Adjusted operating income (loss) [3]	$2	$29
Net income (loss) per diluted share	$0.03	$1.12
Adjusted operating income (loss) per diluted share	$0.08	$1.13
Return on equity [4]	0.4%	13.2%

- Net written premium growth of +13% with core commercial lines growth of +10%
- Q1 2023 combined ratio of 104% driven by
  - Increased underlying loss ratio
  - Catastrophe losses in line with 5-year historic mean
  - Neutral prior period loss reserves
  - Strategic investments in talent and technology
  - Further details on page 5
- Higher interest rate environment sustainably improving net investment income
- Book value per common share increases to $29.80

(1) Net underlying loss ratio is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior period reserve development.
(2) Underlying combined ratio is defined as the GAAP combined ratio less impacts of catastrophes and non-catastrophe prior period reserve development.
(3) Adjusted operating income (loss) is a non-GAAP financial measure of net income excluding net investment gains and losses, after applicable taxes.
(4) Return on equity is calculated by dividing annualized net income by average year-to-date stockholders' equity.

ufg INSURANCE

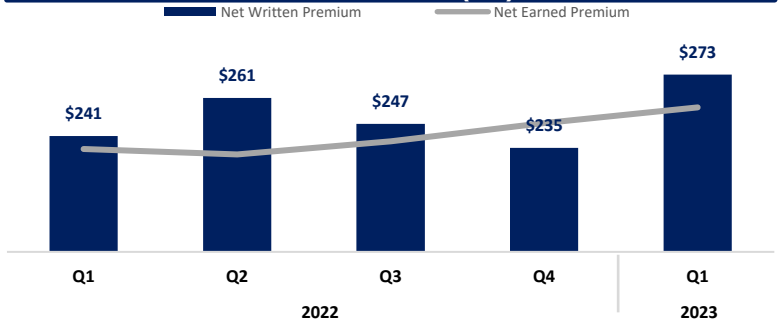
P&C results

Results

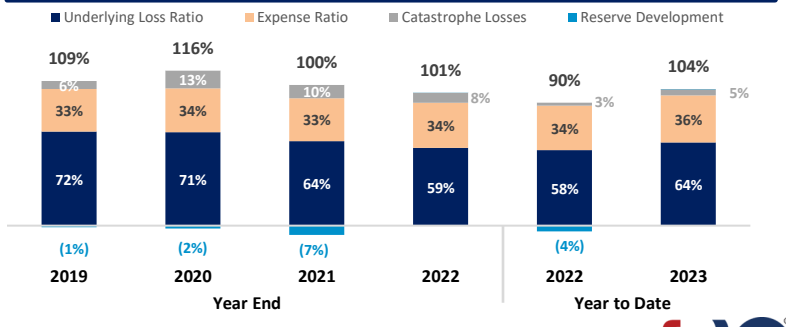
(In Millions, Except Per Share Data)	First Quarter 2023	2022
Net premiums written	$273	$241
Net premiums earned	$256	$234
Net underlying loss ratio [1]	63.5%	57.5%
Catastrophe loss ratio	4.6%	2.6%
Reserve development (excl. catastrophe)	0.1%	(4.4%)
Net loss ratio	68.2%	55.7%
Underwriting expense ratio	35.8%	33.8%
Combined ratio	104.0%	89.5%
Underlying combined ratio [2]	99.3%	91.3%

- Four consecutive quarters of total net written premium growth
- Increased underlying loss ratio driven by:
  - Shift in assumed reinsurance accident year loss ratio assumptions
  - Loss trends recognized in late 2022
  - Increased ceded reinsurance costs and retentions
- Catastrophe losses in line with 5-year historic mean
- Strategic investments increasing 2023 expense ratio; 2022 expense ratio benefitted from favorable impacts that have now concluded

Premium trend ($M)



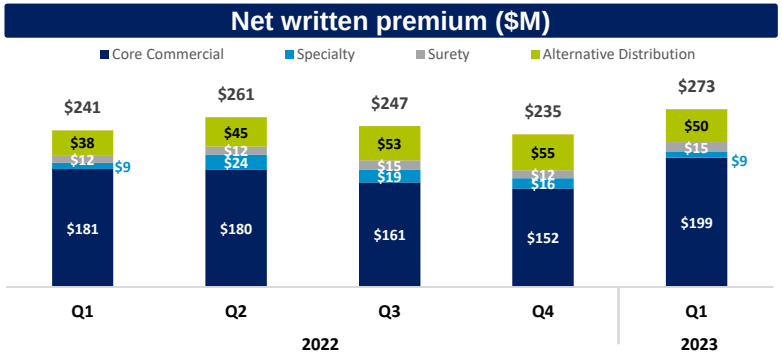
Combined ratio trend

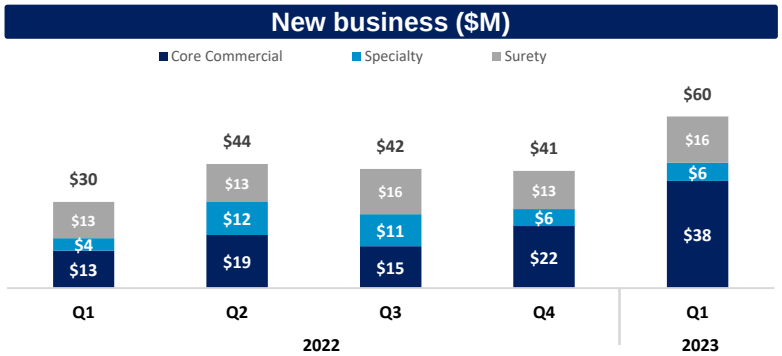


(1) Net underlying loss ratio is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior period reserve development.
(2) Underlying combined ratio is defined as the GAAP combined ratio less impacts of catastrophes and non-catastrophe prior period reserve development.

ufg INSURANCE

P&C Portfolio production





- Core commercial lines now contributing to written premium growth with continued growth in other businesses
  - Core commercial growth supported by increased new business production, improved retention, and positive renewal rate change
  - Alternative Distribution leveraging hard market to deliver diversifying growth while reducing catastrophe exposure by non-renewing portion of retro book

- New business increased across all areas of portfolio
  - Core commercial new business continues to increase with governance in place to support long-term profitability goals
  - Specialty new business growth supported by increasing attachment points, variable quota share reinsurance, and excellent service

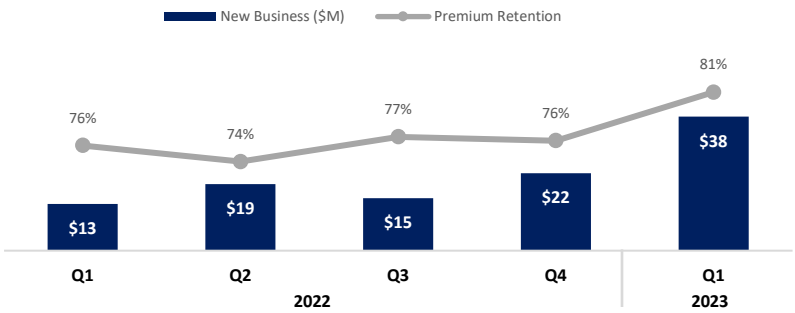
New business defined as direct premium written for full policy new to UFG or new coverage line added to existing policy, not applicable to Alternative Distribution

Core commercial: Admitted commercial lines business sold through approximately 1,000 independent agents
Specialty: Excess & Surplus lines distributed through wholesale market
Surety: Contract and commercial surety bonds
Alternative Distribution: Includes assumed reinsurance, delegated underwriting authority, Funds at Lloyd's

ufg INSURANCE

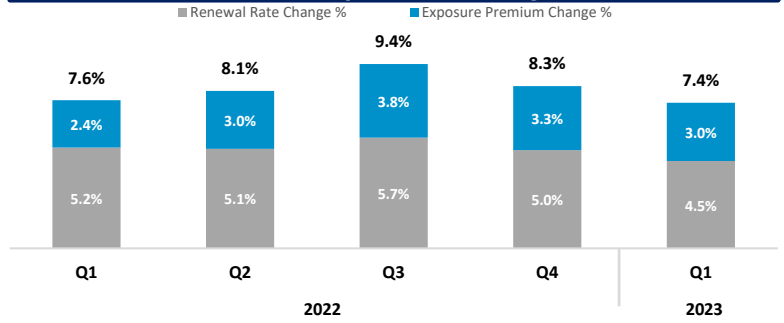
Core Commercial lines production detail

New business & premium retention trend



- Core commercial new business continues to increase
  - Line of business mix consistent with expectations
  - New business mix diversified and leverages cross-functional strengths
  - Governance in place to support long-term profitability goals
- Retention improving as impact of disruptive re-underwriting actions runs off

Renewal premium change



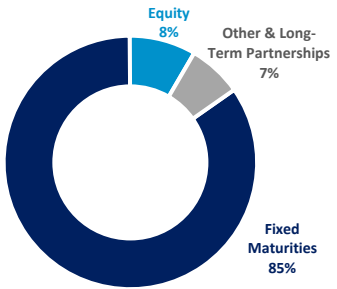
- Q1 renewal premium change was 7.4% as rate increases moderated
  - Q1 renewal premium change excluding Workers Comp was 8.9%
  - Property renewal premium change exceeded 17% in Q1 as rate increases accelerate to mitigate inflation and higher reinsurance costs

Note: Results exclude Surety, Specialty, Alternative Distribution

Investment portfolio

Investment portfolio composition & quality

Portfolio Composition



Fixed Maturity Credit Rating

Rating	% of Portfolio
AAA	35%
AA	31%
A	15%
BBB	19%
Investment Grade	**99%**
Other / Not Rated	1%
Total Fixed Maturity	**100%**

Unrealized gain / loss impact on stockholder's equity

Fixed Maturity Asset Balance ($M)	Q1 2023	Year End 2022	YTD Change
Book Value	$1,684	$1,663	
Unrealized Gain (Loss)	($93)	($111)	$18
Carried Assets on Balance Sheet	**$1,591**	**$1,551**	
Change in Equity (After-Tax)			*$14*

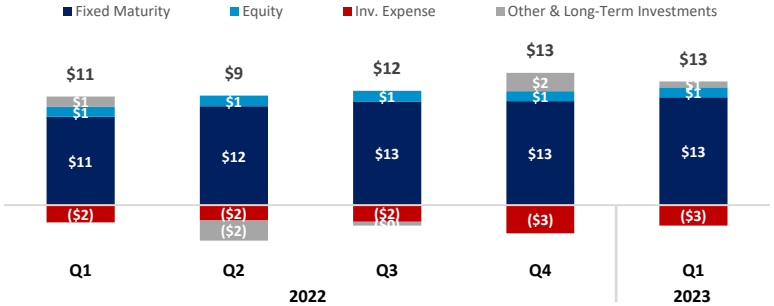
- Q1 invested assets of $1.9B, with 85% of assets in fixed income securities
- High-quality portfolio with 80% of fixed maturity assets rated "A" or better
- Portfolio strategically positioned to reinvest at higher rates with duration of 4.2 years
- Unrealized loss decreased in Q1, improving book value per share $0.58

Investment income

Results

(In Millions)	First Quarter 2023	2022
Investment income:		
Interest on fixed maturities	$13	$11
Dividends on equity securities	$1	$1
Income on other long-term investments	($1)	$1
Other	$2	$1
Total investment income	$15	$13
Less investment expenses	($3)	($2)
Net investment income	**$13**	**$11**
Net investment gains (losses)	**($2)**	**($0)**
Yield (pre-tax):		
Fixed Maturity [1]	3.3%	2.7%

Net investment income trend ($M)



- Net investment income increased 13% vs. prior year as increasing fixed maturity yields sustainably improve earnings
- Fixed maturity new money yields increased to 5.3% from 3.1% in Q1 2022
- Net investment loss driven by UFG's income-focused equity portfolio valuation that lagged market returns but generated $1.2M of dividend income

(1) Fixed maturity yield excluding unrealized gains/losses and expenses

ufg INSURANCE