AMERISAFE

SunTrust Robinson Humphrey Marketing Visits

May 29-30, 2013



C. Allen Bradley, Jr.
Chairman & Chief Executive Officer

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Chief Financial Officer

Forward Looking Statements

Statements made in this presentation that are not historical facts, including statements accompanied by words such as “will,” “believe,” “anticipate,” “expect,” “estimate,” “preliminary,” or similar words are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding AMERISAFE’s plans and performance. These statements are based on management’s estimates, assumptions, and projections as of the date of this presentation and are not guarantees of future performance. Actual results may differ materially from the results expressed or implied in these statements as the result of risks, uncertainties, and other factors, including the factors set forth in the Company’s filings with the Securities and Exchange Commission, including in Item 1A “Risk Factors” in AMERISAFE’s Annual Report on Form 10-K for the year ended December 31, 2012. AMERISAFE cautions you not to place undue reliance on the forward-looking statements contained in this presentation. AMERISAFE does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information, or circumstances that arise after the date of this presentation.

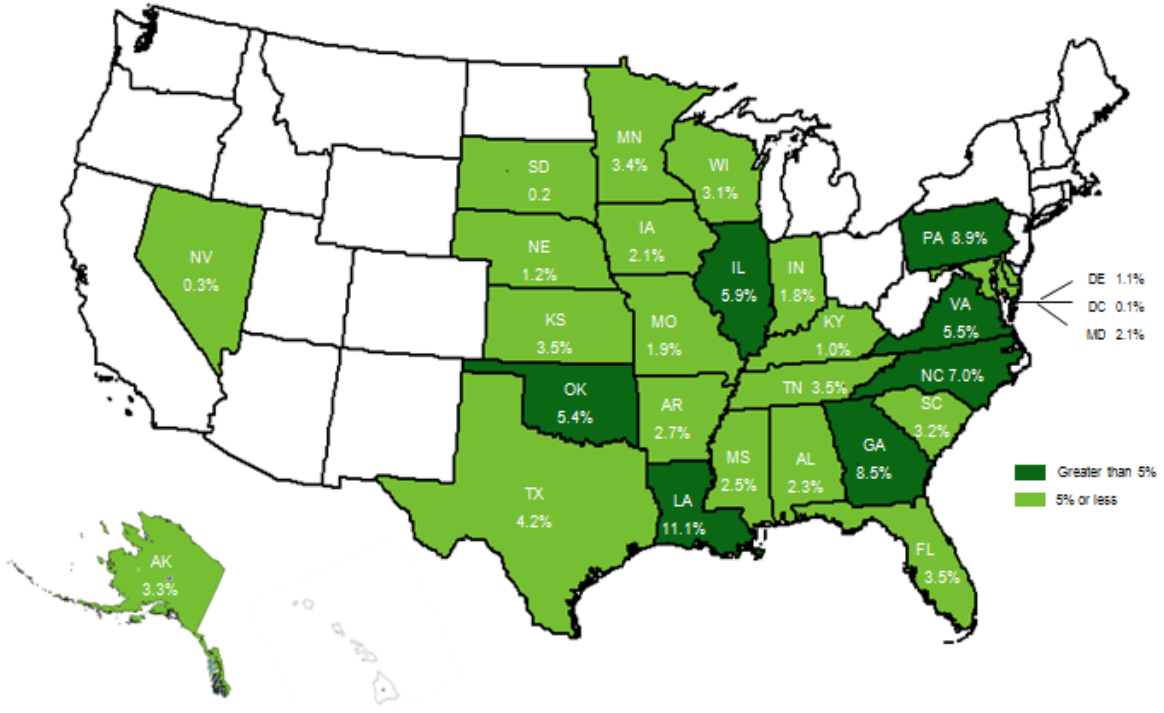
Overview

AMERISAFE has a 27-year operating history as a specialty provider of workers' compensation insurance for small to mid-sized employers engaged in high hazard industries

1Q 2013 Highlights

- GPW up 16.7%
- Combined ratio: 94.7%
- ROAE: 9.2%

Premium Distribution by State

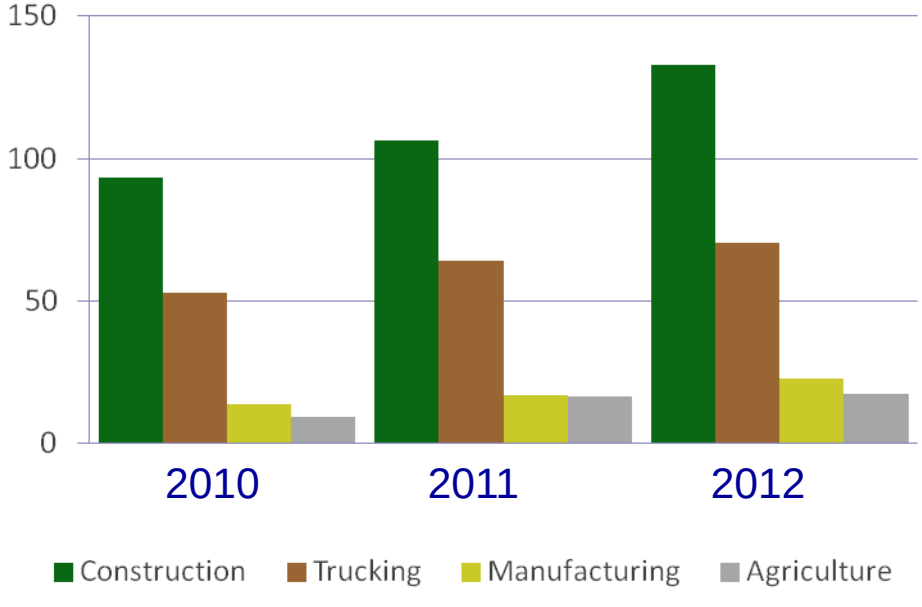


AMERISAFE actively markets insurance in 30 states and Washington D.C.

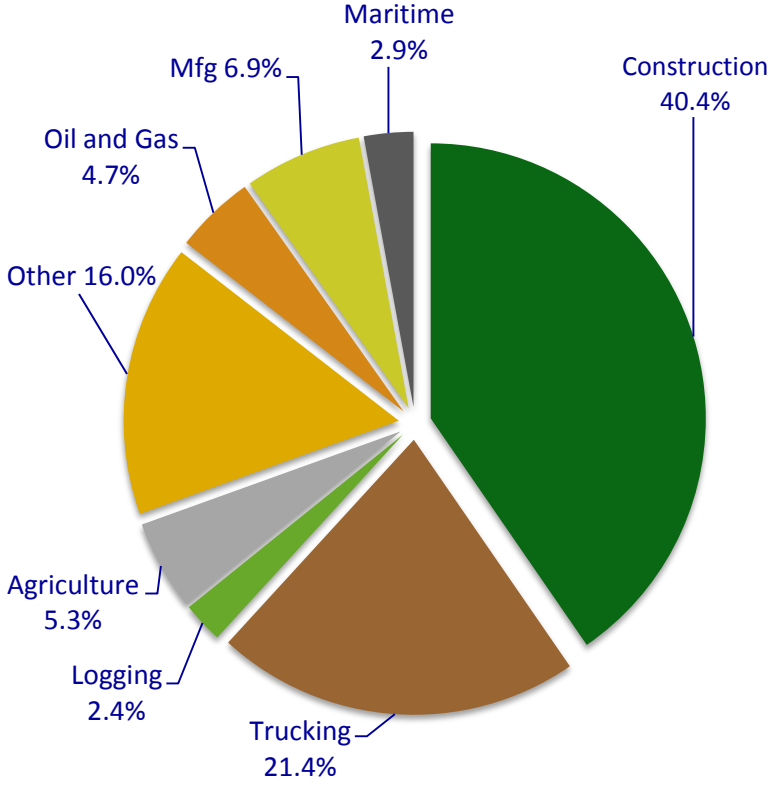
Premium Distribution

Historical Premium Distribution of Major Industry Groups

(in $ millions)



Premium Distribution by Industry as of 12/31/12



Pillars of Distinction



High Hazard Niche Focus

- Rate more than 3x national average
- Difficult to serve industry sub-segments
- Mobile workforce-non-fixed workplace environment
- Less impacted by soft market cycles

Small to Mid-Size Employer Focus

- Less competition
- Less price sensitivity
- More difficult to serve
- Higher client retention
- Requires expense management/ operational efficiency

High Hazard Underwriting Expertise

- Industry-specific risk analysis tools
- Underwriters' knowledge of industry practices
- No MGA's/MGU's
- Track record of pricing discipline

Comprehensive Safety Services

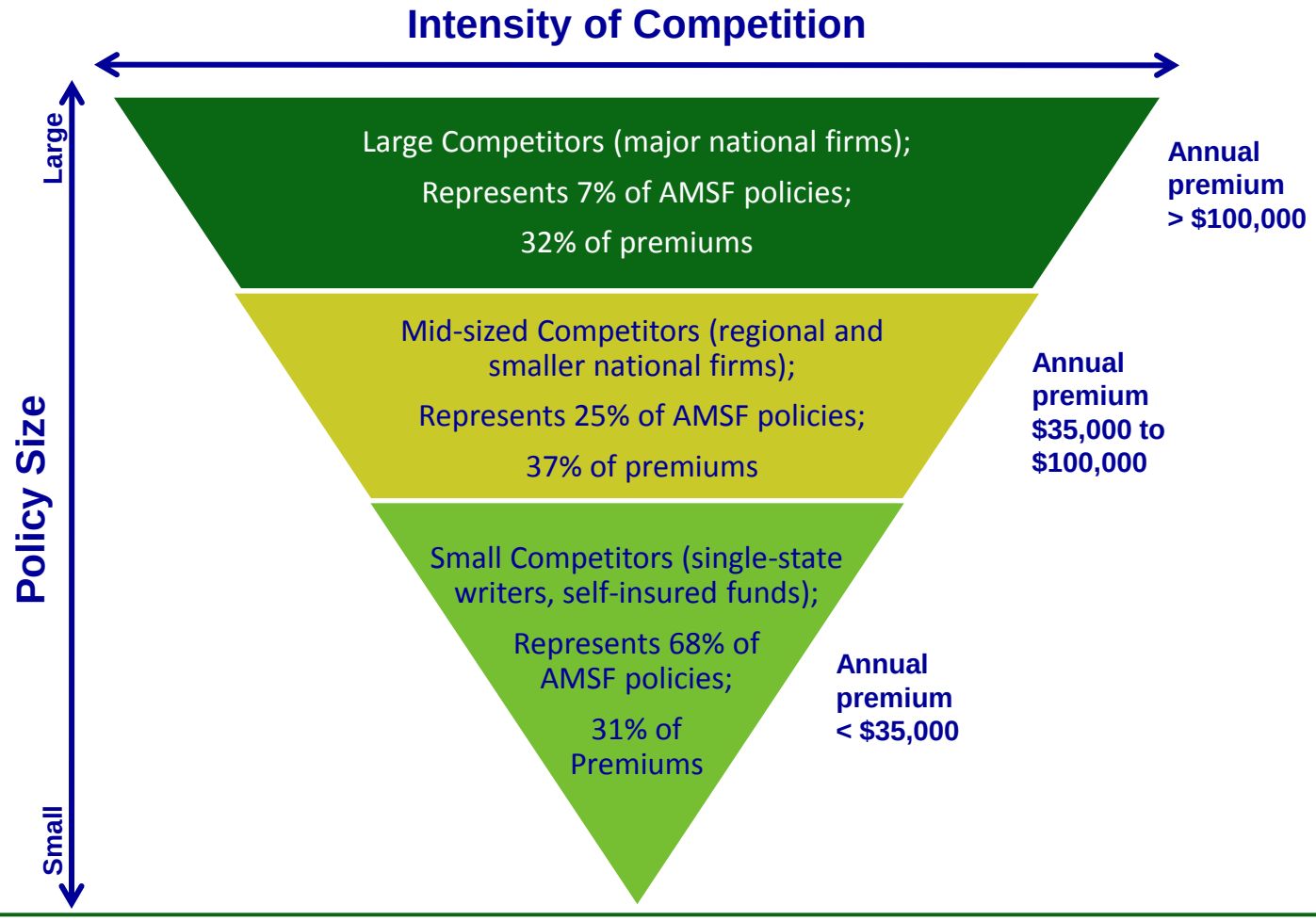
- Field Safety Professionals (FSPs) maintain in-depth knowledge of high hazard industries
- Pre-quotation, worksite safety inspection performed on 88% of new accounts
- FSPs geographically dispersed

Intensive Claims Management

- Field Case Managers (FCMs) located in service areas
- Low case load 52 claims per FCM
- Higher severity losses require unique claims handling skills and processes
- FCMs focus on timely resolution of claims

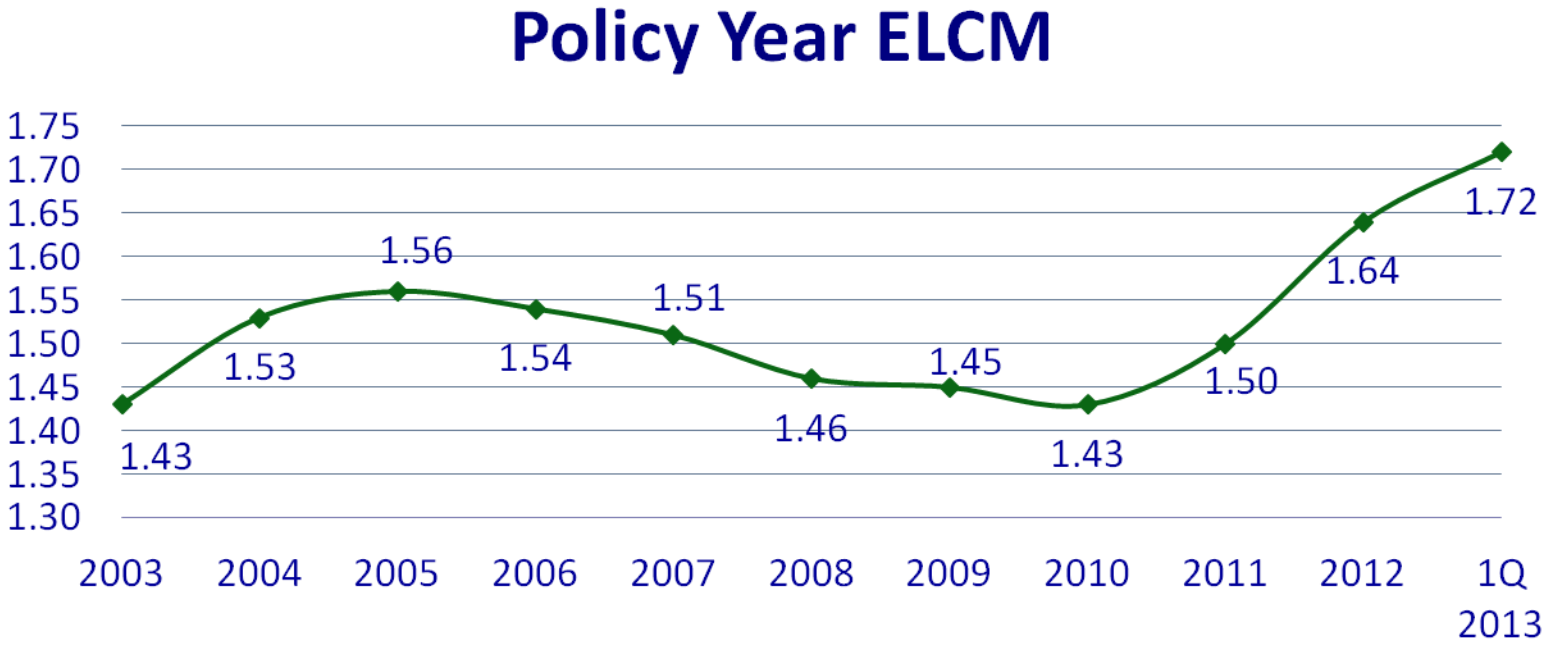
Amerisafe Customer Overview

- Competition is fragmented, and favors multi-state writers of small to mid-sized employers

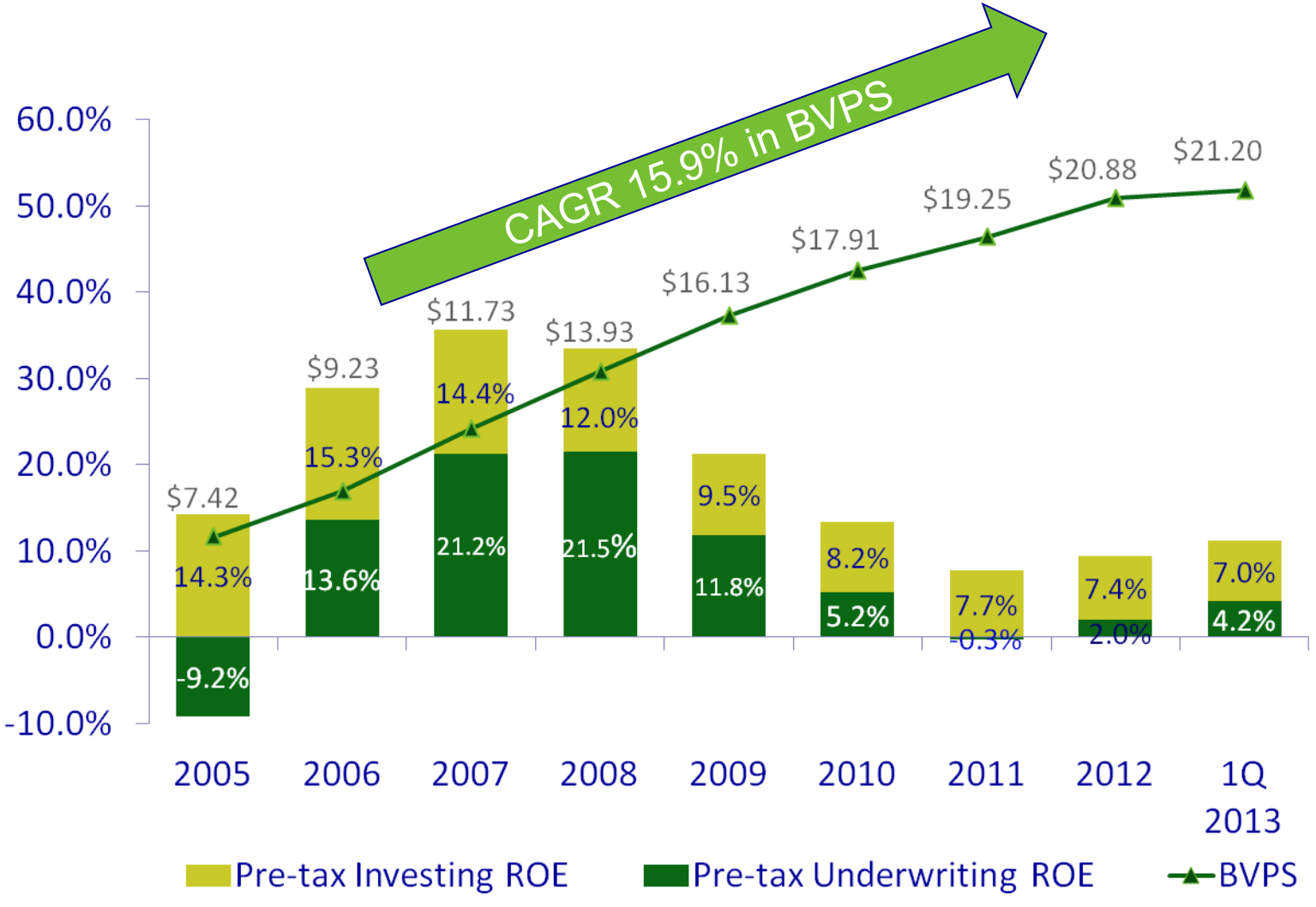


Pricing for Profitability

- Loss costs (LC) – estimated loss/$100 payroll approved by state regulator
- Loss cost multiplier (LCM) – multiplier applied to loss costs to cover company expenses above loss costs
- Effective loss cost multiplier (ELCM) – aggregate actual LCM, including the impact of discretionary pricing as permitted



Historical Financial Performance



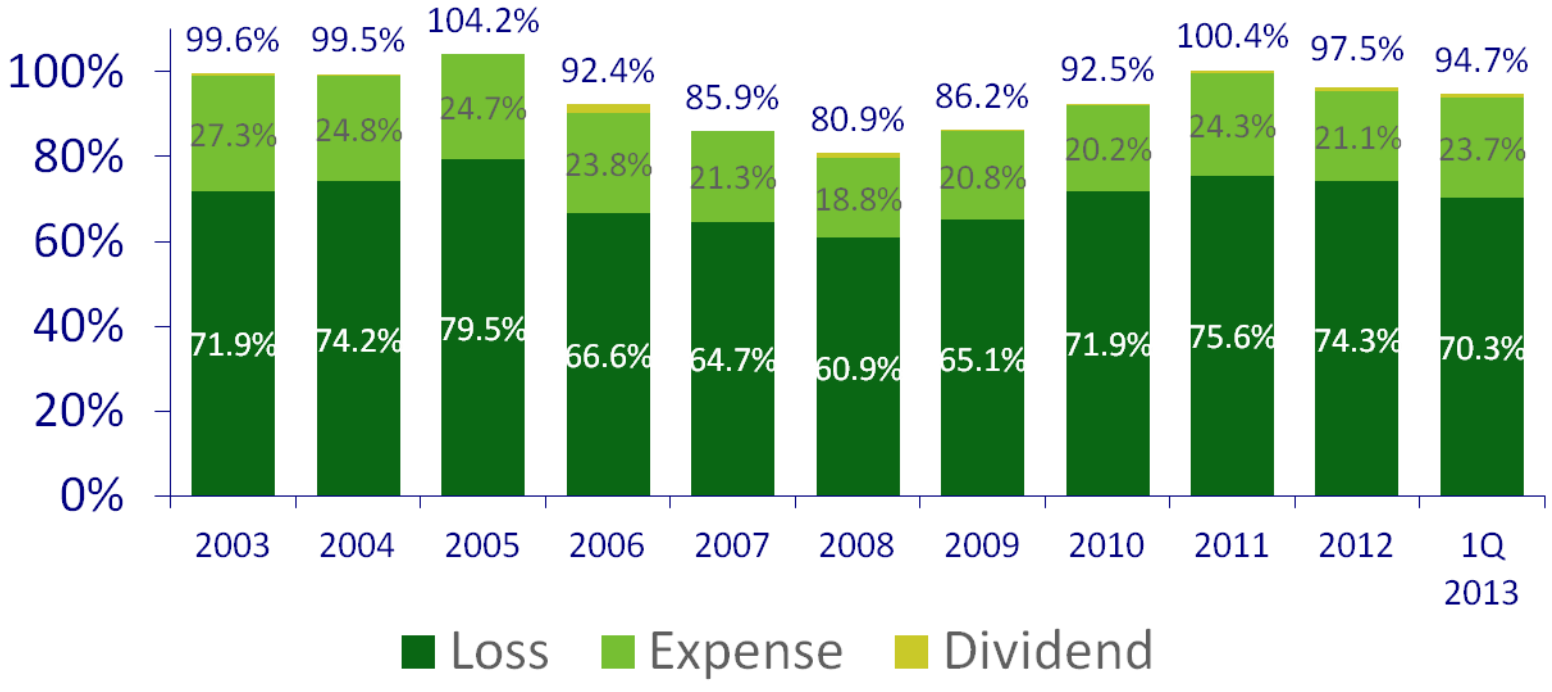
Economic Model - ROE Drivers

	1Q 2013
Loss Ratio	70.3%
+	
Expense Ratio	23.7%
+	
Policyholder Dividend Ratio	0.7%
=	
Combined Ratio	94.7%
Underwriting Profit	5.3%
x	
Operating Leverage	0.8
=	
ROE from Underwriting	4.2%
Pre-tax Investment Yield	2.9%
x	
Investment Leverage	2.4
=	
ROE from Investing	7.0%
ROE from Other Income (Expense)	0.3%
Pre-tax ROE	11.5%
Effective Tax Rate	20.1%
ROE	9.2%

❖Imperative to execute on the fundamentals of underwriting, safety and claims

❖ At current leverage ratios, a 1 point change in Loss Ratio equates to a 33 BP change in yield to maintain ROE

Combined Ratio



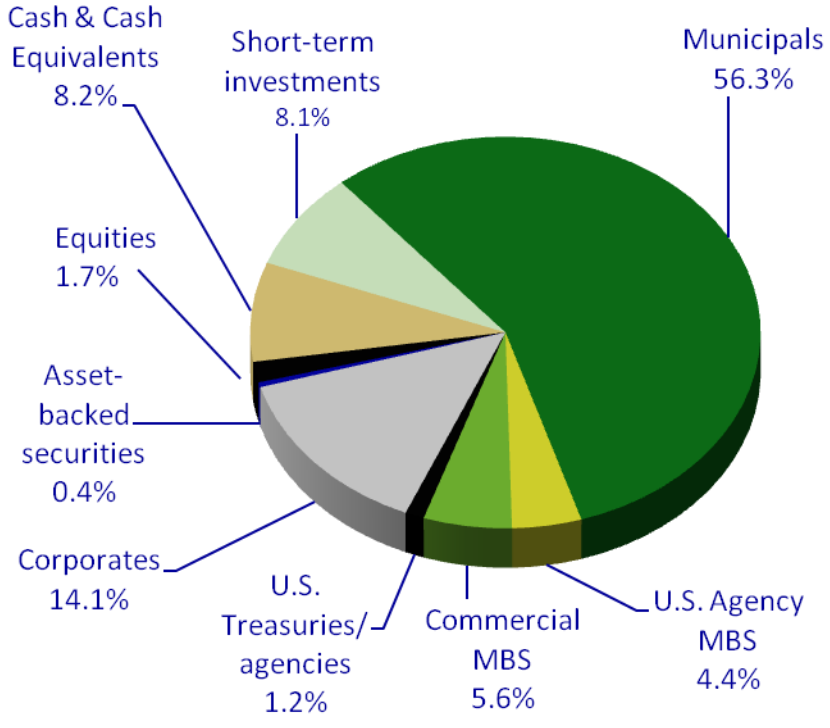
Consistently profitable underwriting

- 10 yr average combined ratio of 94.0%

Investment Portfolio

Portfolio Allocation

(as of 3/31/2013)



Value of Fixed-Maturity Securities Classified as Held-to-Maturity

(as of 3/31/2013)

Investment	Book Value ($millions)	Fair Value ($millions)	Unrealized Gain (Loss)
Municipals	$399.4	$428.7	$29.3
U.S. Agency MBS	$30.0	$32.9	$2.9
Commercial MBS	$51.5	$57.0	$5.5
U.S. Treasuries	$11.0	$12.6	$1.6
Corporate Bonds	$77.6	$79.0	$1.4
ABS	$4.0	$4.1	0.1
Total	**$573.7**	**$614.3**	**$40.6**

- Carrying value of cash and investments was $918.7 million at March 31, 2013
- As of 3/31/2013, fixed-maturity securities have an average composite credit rating of “AA-”

Capital Management

- History of Proactive Capital Management
  - $62M of preferred and debt retirement
  - $22.4M of share repurchases
  - $1.5M of dividends paid

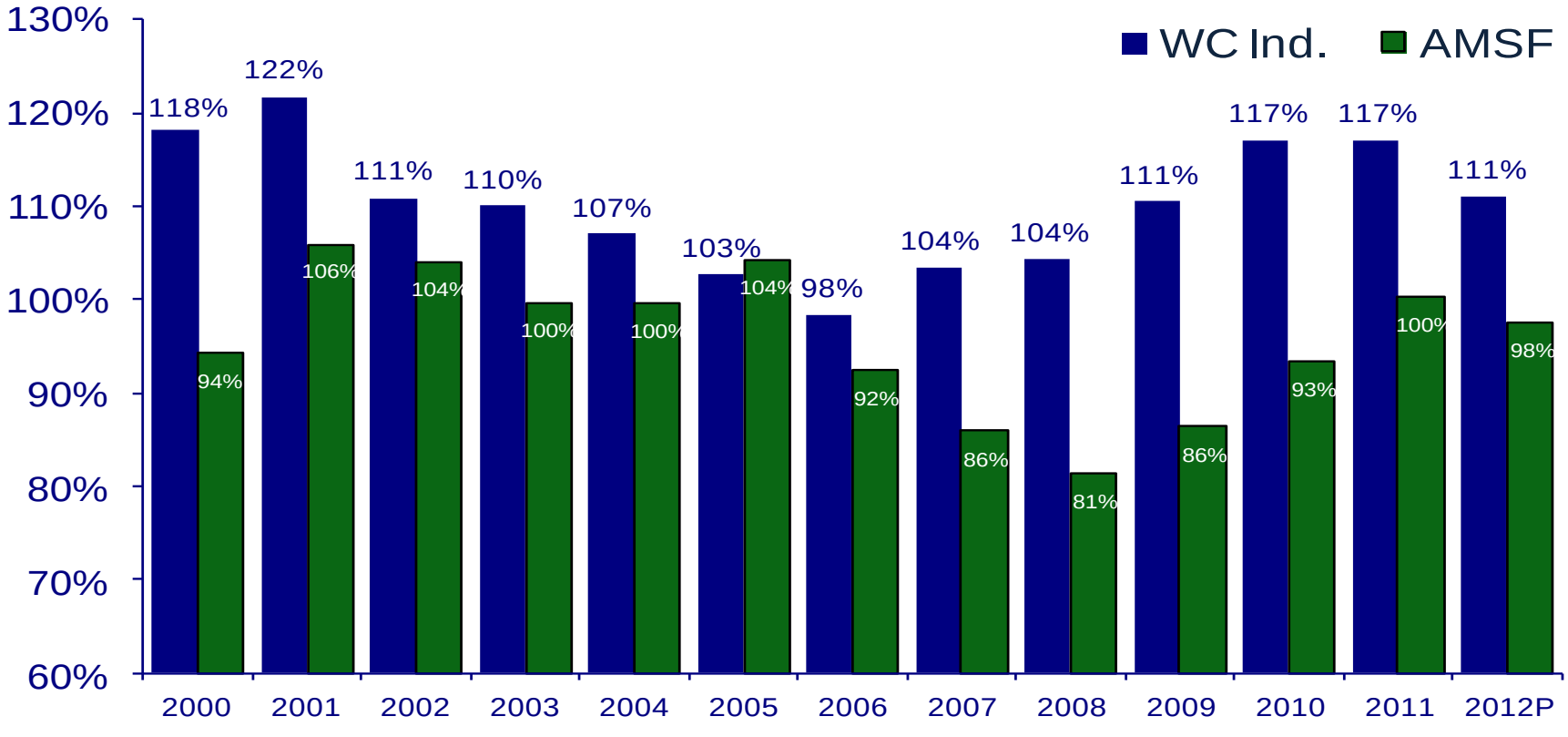
- Current Utilization of Capital
  - Organic growth
  - Acquisition considerations
    - Renewal rights
    - Balance sheet
  - $24M Share repurchase authorization
  - Continued dividend payments

- Goal - Maintain and Balance

  Hold prudent capital levels to maintain A.M. Best financial strength rating of “A”, yet achieve attractive returns for shareholders

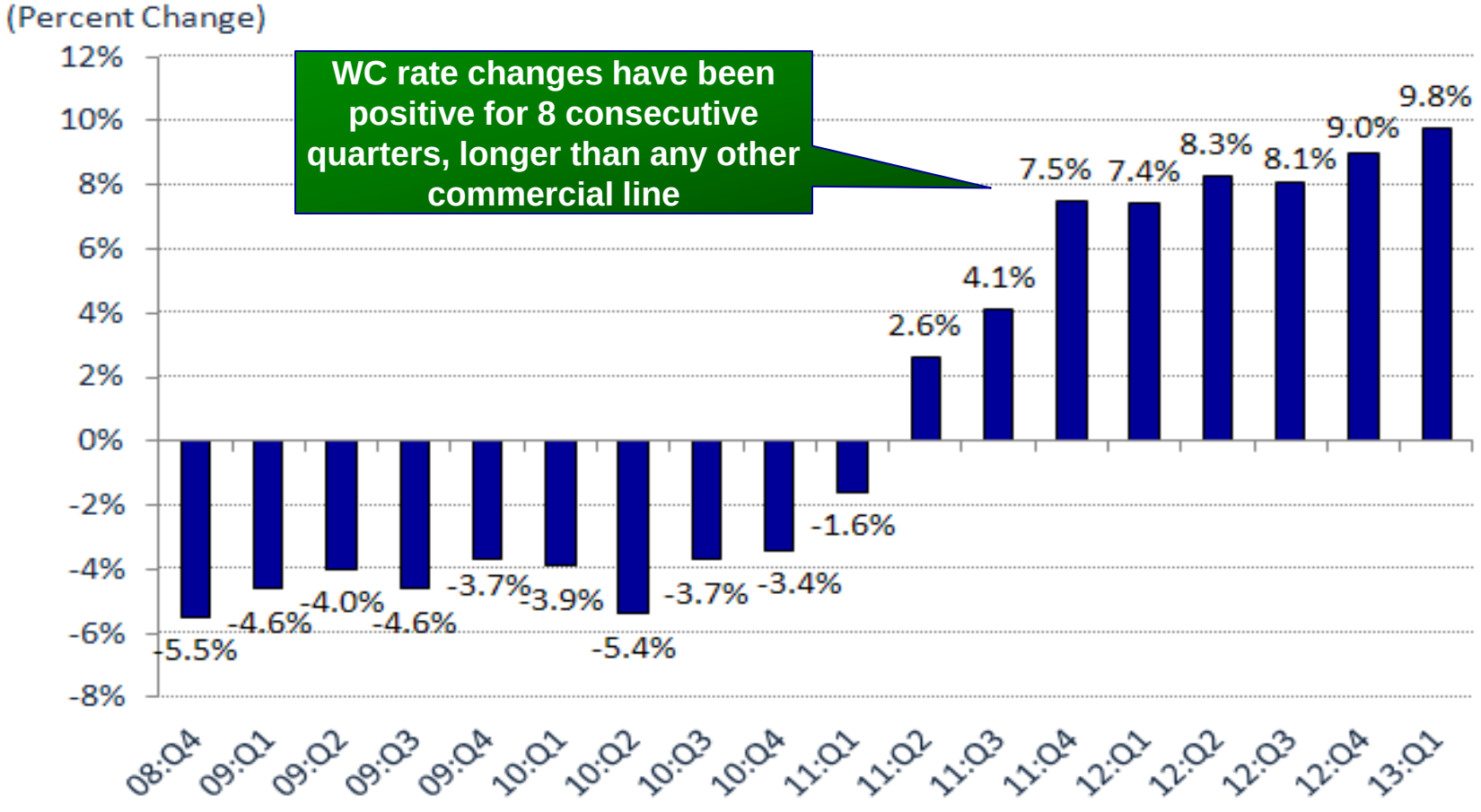
Current Workers' Compensation Market Conditions

WC Industry Combined Ratio



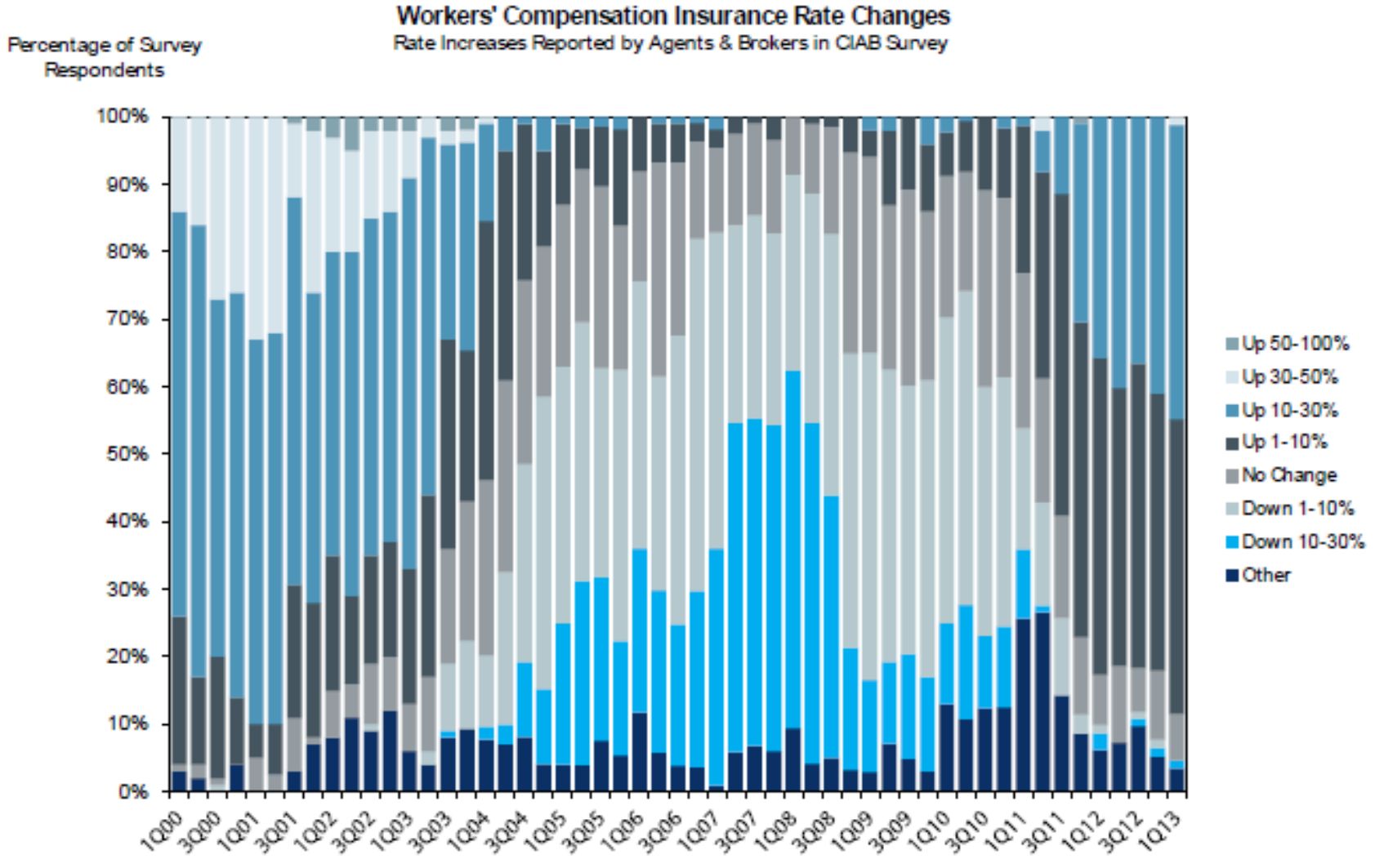
Sources: A.M. Best; Insurance Information Institute.

Workers Comp Rate Changes, 2008:Q4 – 2013:Q1



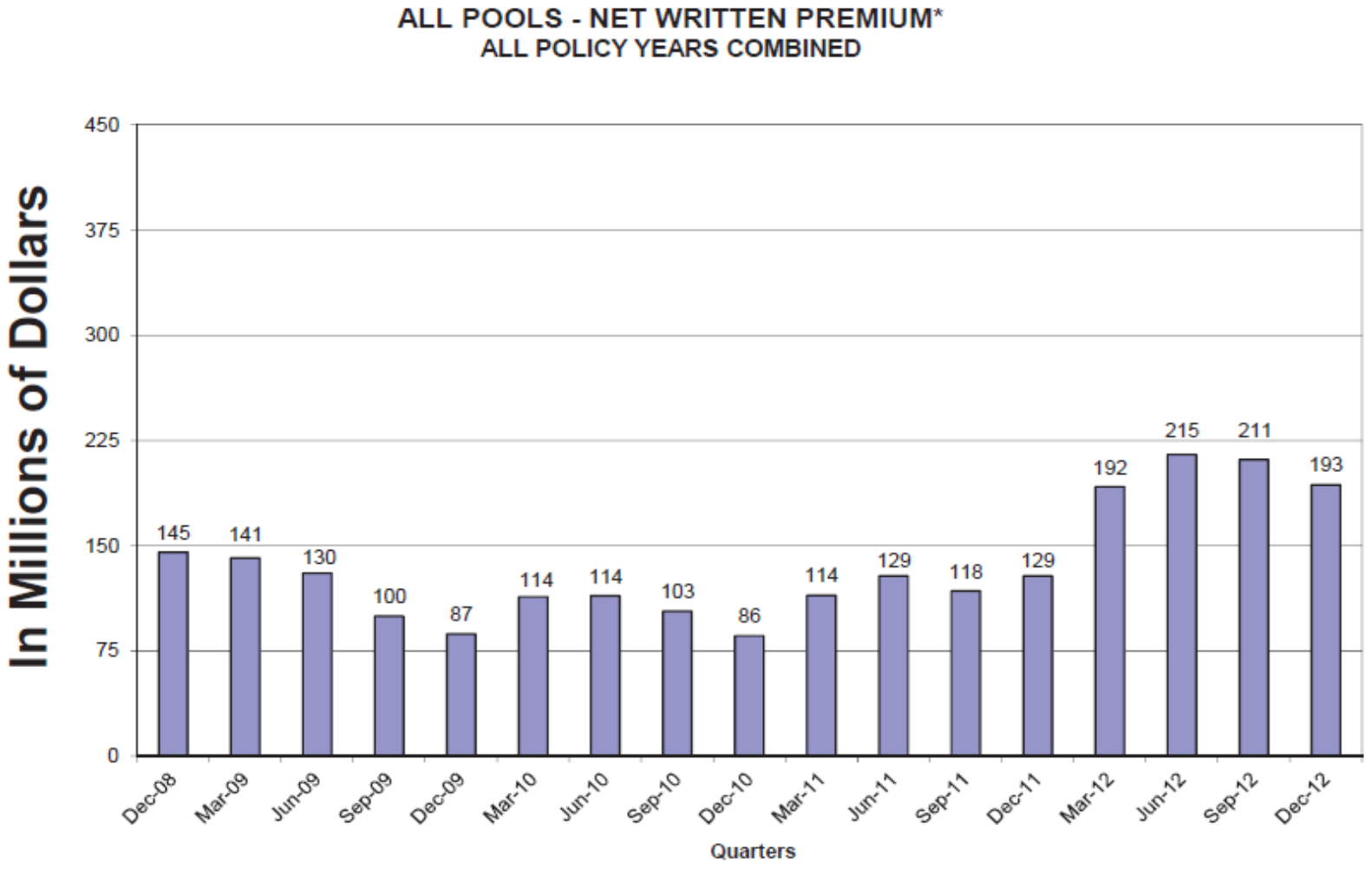
Source: The Council of Insurance Agents and Brokers.

WC Insurance Rate Changes



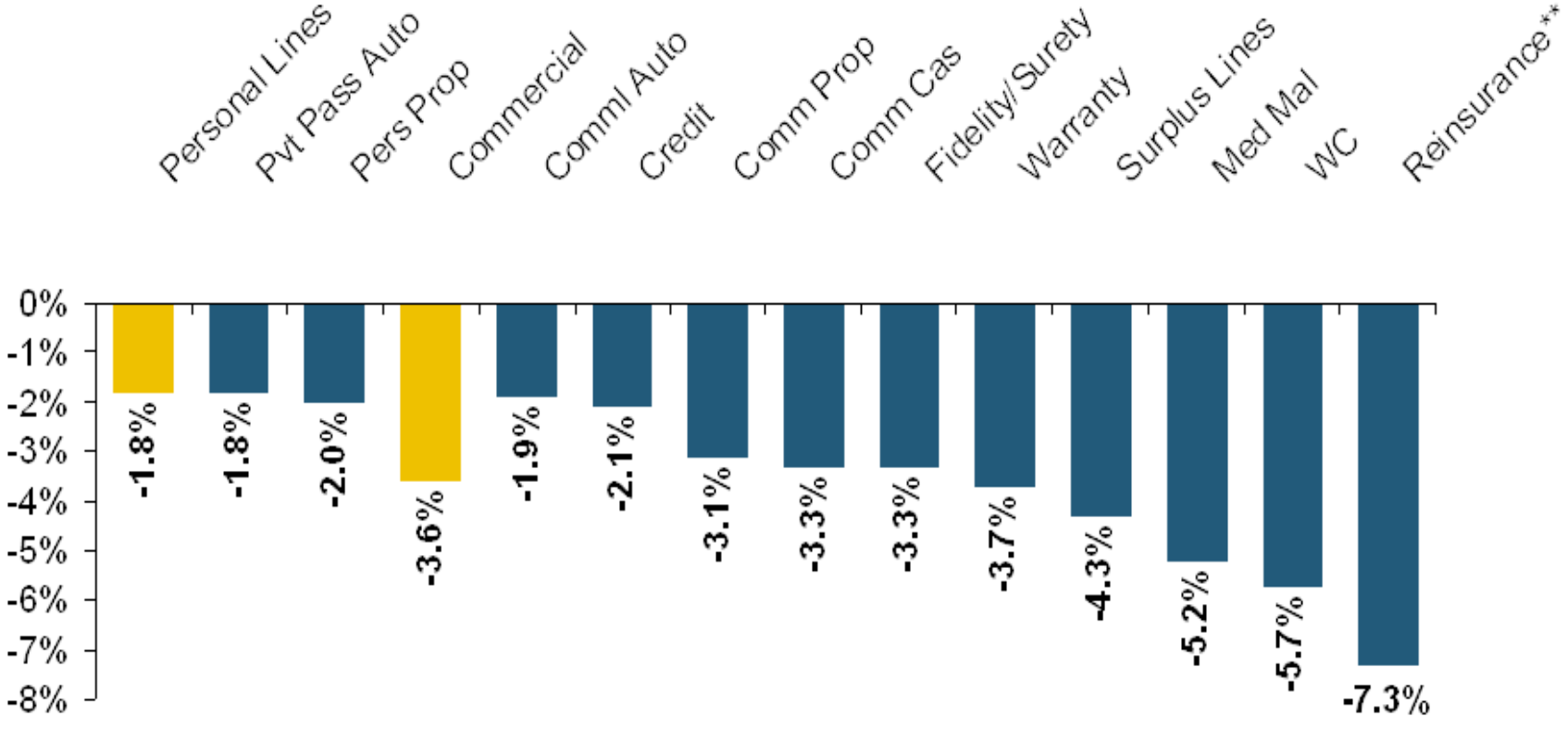
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Residual Market Results



*Premium volume shown is net of uncollectible premium for all states and net of premium ceded for the cost of excess reinsurance for AK and NM. Source: 2013 National Council of Compensation Insurance, Inc.

Reduction in Combined Ratio Necessary to Offset 1% Decline in Investment Yield to Maintain Constant ROE, by Line*



Lower Investment Earnings Place a Greater Burden on Underwriting and Pricing Discipline

*Based on 2008 Invested Assets and Earned Premiums; **US domestic reinsurance only
Source: A.M. Best; Insurance Information Institute.

Appendix

Nasdaq: AMSF

Market Statistics:

Stock Price	**$33.10**
52 week range	**$22.00 - $36.15**
Shares Outstanding	**18.3 M**
Market Cap	**$605 M**
Book Value per Share	**$21.20**
Price-to-Book	**1.56**

Market data as of May 24, 2013; Financial data as of March 31, 2013

Selected Balance Sheet Data

(in thousands)

	Mar-13	2012	2011
Investments, Cash and cash equivalents	918,711	900,792	851,510
Amounts recoverable from reinsurers	99,301	101,352	96,212
Premiums receivable, net	167,147	141,950	121,223
Deferred income taxes	30,699	29,521	30,048
Deferred policy acquisition costs	29,507	18,419	16,578
Total Assets	1,265,403	1,220,946	1,143,973
Reserves for loss and loss adjustment expenses	577,988	570,450	538,214
Unearned premiums	155,460	140,528	118,699
Insurance-related assessments	25,351	22,244	19,071
Subordinated debt securities	--	--	25,780
Shareholders' equity	389,698	381,222	349,437
Metrics			
Book Value Per Share	$21.20	$20.88	$19.25
Debt to Capital	--	--	6.9%

Income Statement

(in thousands)

	1Q 2013	2012	2011
Revenues:			
Gross premiums written	$99,123	$328,823	$272,101
Ceded premiums written	(4,481)	(16,305)	(13,881)
Net premiums written	$94,642	$312,518	$258,220
Net premiums earned	$79,709	$290,689	$251,015
Net investment income	6,670	27,018	26,340
Net realized gains on investments	24	2,979	2,228
Fee and other income	109	562	1,080
Total revenues	86,512	321,248	280,663
Expenses:			
Loss and loss adjustment expenses incurred	56,001	219,903	189,706
Underwriting and other operating costs	18,877	61,433	60,825
Interest expense		566	1,311
Policyholder dividends	554	2,203	1,464
Total expenses	75,432	284,105	253,306
Income before taxes	11,080	37,143	27,357
Income tax expense	2,229	7,790	3,176
Net income	$8,851	$29,353	$24,181