AMERISAFE

JMP Marketing Visits
June 6-7, 2017



G. Janelle Frost
Chief Executive Officer

Neal A. Fuller
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,” 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 if the underlying assumptions prove to be incorrect or 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 AMERISAFE’s Annual Report on Form 10-K for the year ended December 31, 2016. 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.

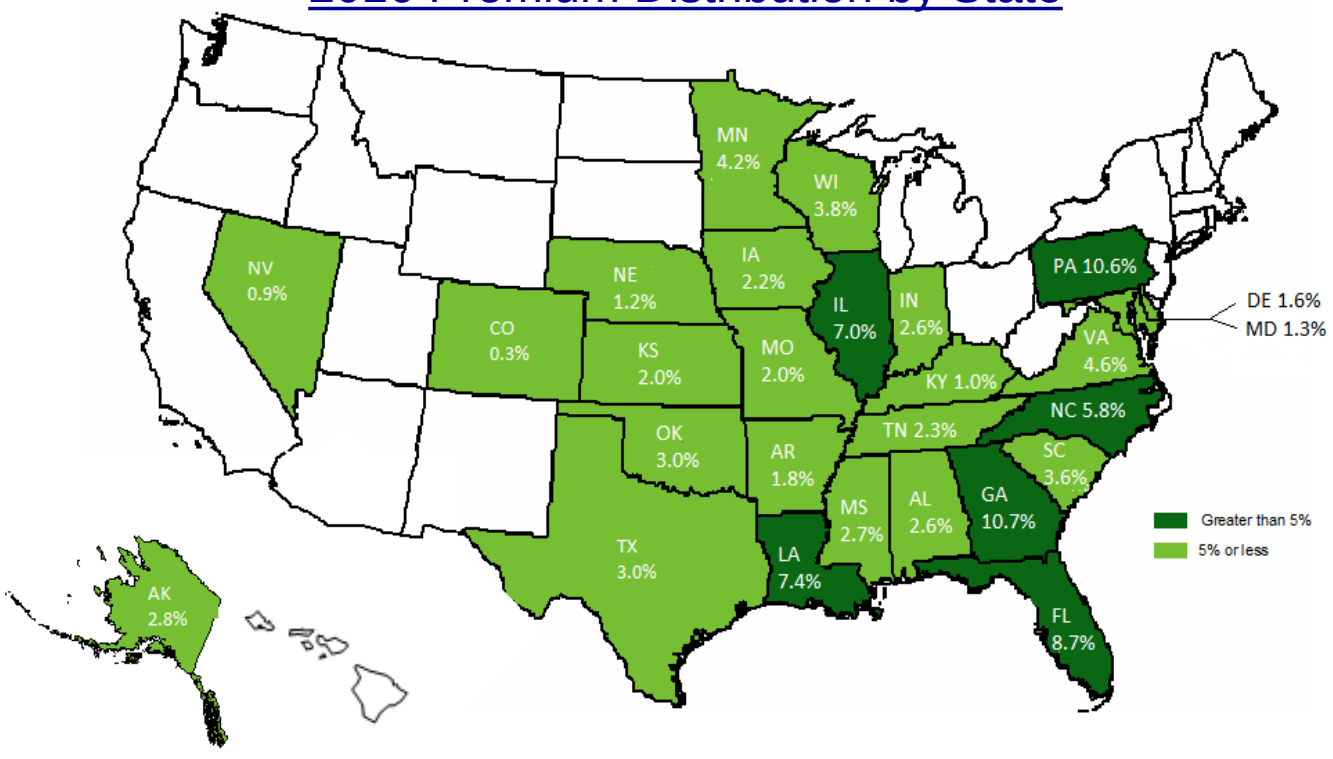
Overview

AMERISAFE has a 31-year operating history as a specialty provider of workers' compensation insurance for small to mid-sized employers engaged in high hazard industries

2017 YTD Highlights

- GPW Growth: -5.3%
- Combined ratio: 86.6%
- ROAE: 11.7%

2016 Premium Distribution by State

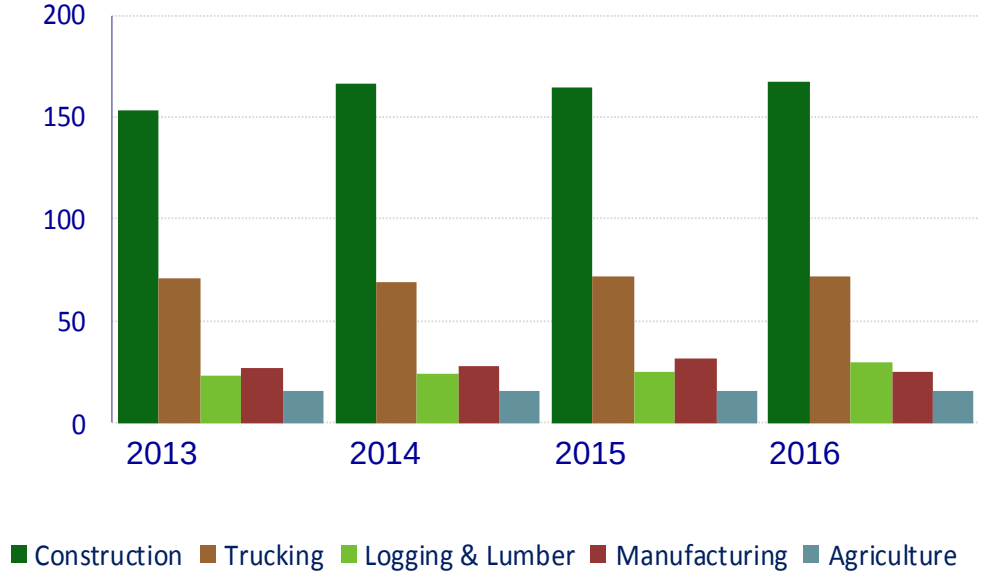


AMERISAFE actively markets insurance in 27 states

Premium Distribution

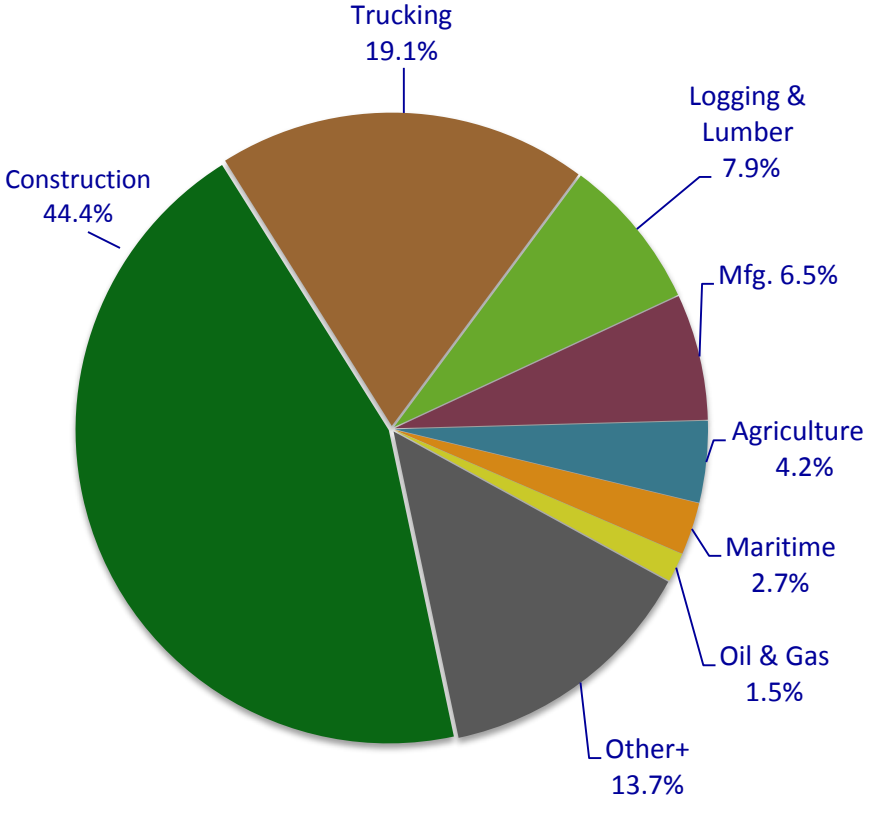
Historical Premium Distribution of Major Industry Groups

(in $ millions)



Premium Distribution by Industry as of 12/31/16

*Includes Assigned Risk & Assumed premiums



+Other includes a wide variety of high-hazard business including cell phone tower service and repair, window washers, metal and scrap iron dealers, and other businesses.

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

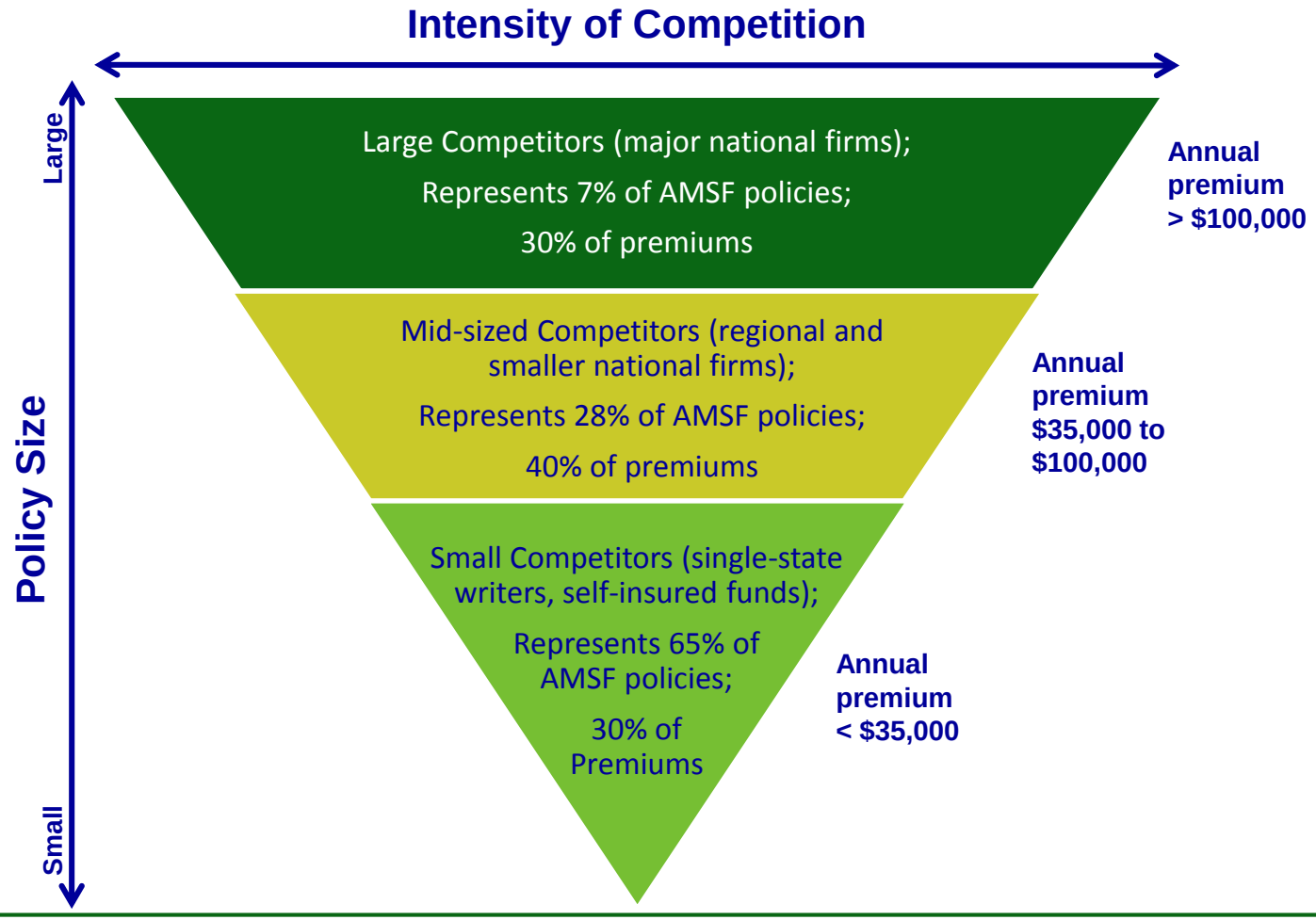
- Field Safety Professionals (FSPs) maintain in-depth knowledge of high hazard industries
- Pre-quotation, worksite safety inspection performed on 90% of new accounts
- FSPs geographically dispersed

Intensive Claims Management

- Field Case Managers (FCMs) located in service areas
- Low case load 48 claims per FCM
- Higher severity losses require unique claims handling skills and processes
- FCMs focus on timely resolution of claims

Amerisafe Customer Overview

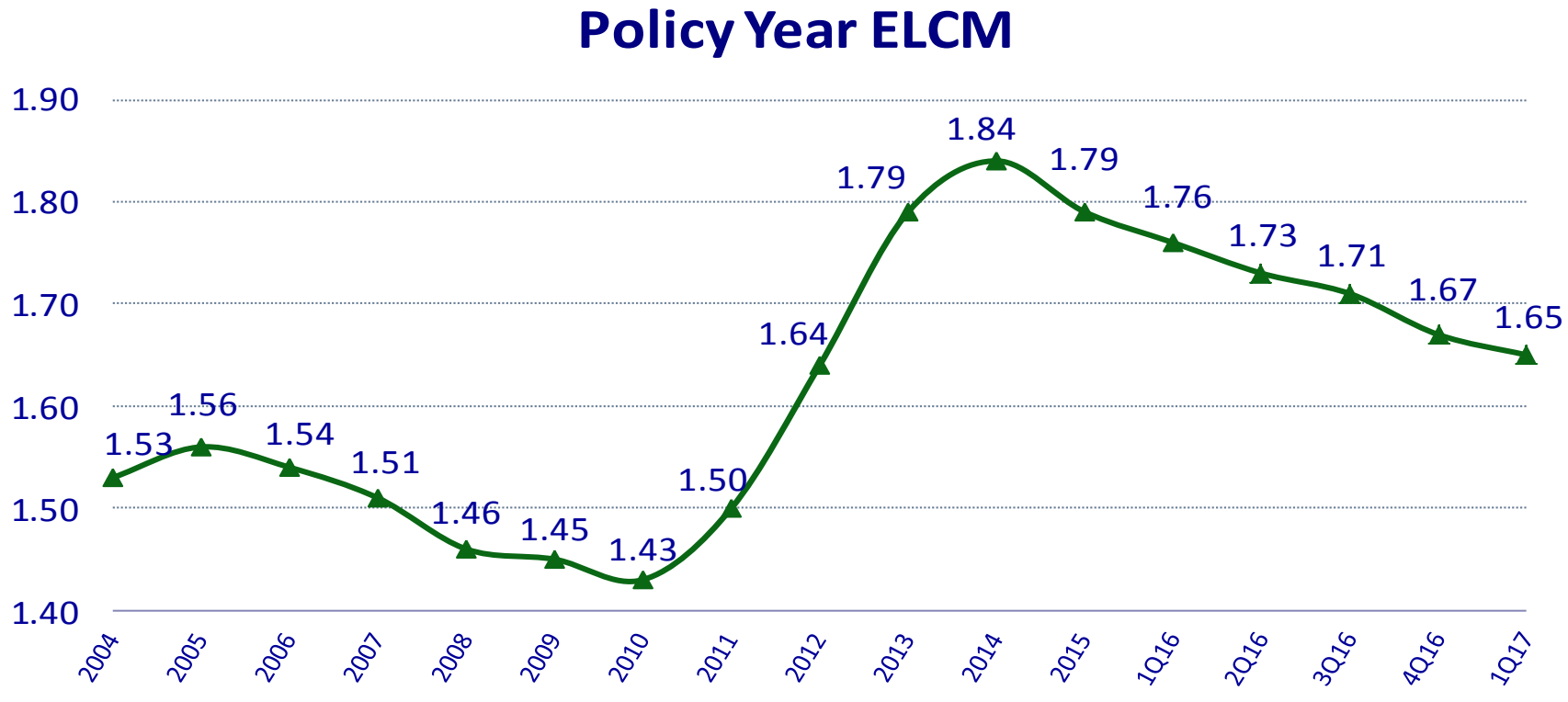
- Competition is fragmented, and favors multi-state writers of small to mid-sized employers



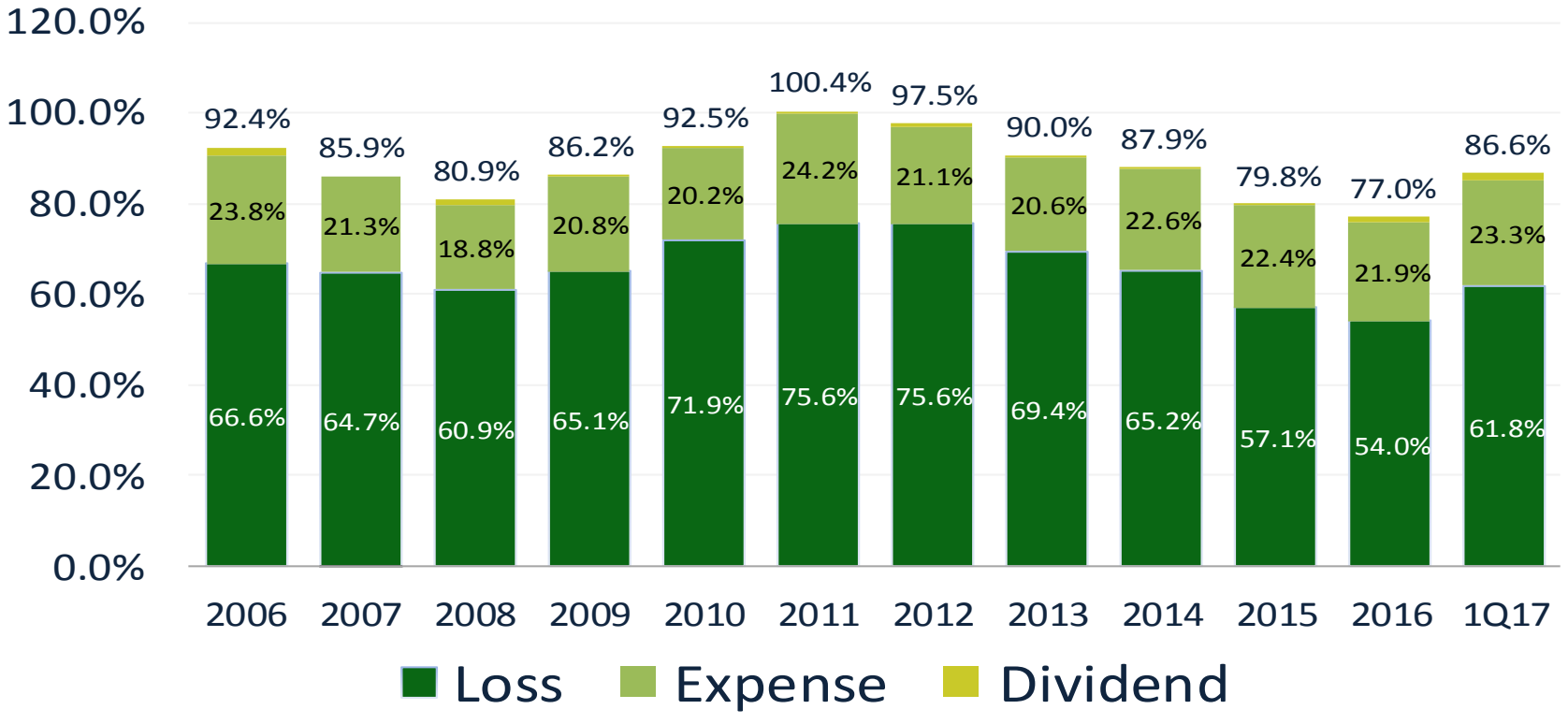
As of 12/31/2016

Pricing for Profitability

- Loss costs – 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



Combined Ratio



Consistently profitable underwriting

❖ Average 88.2 % last eleven years

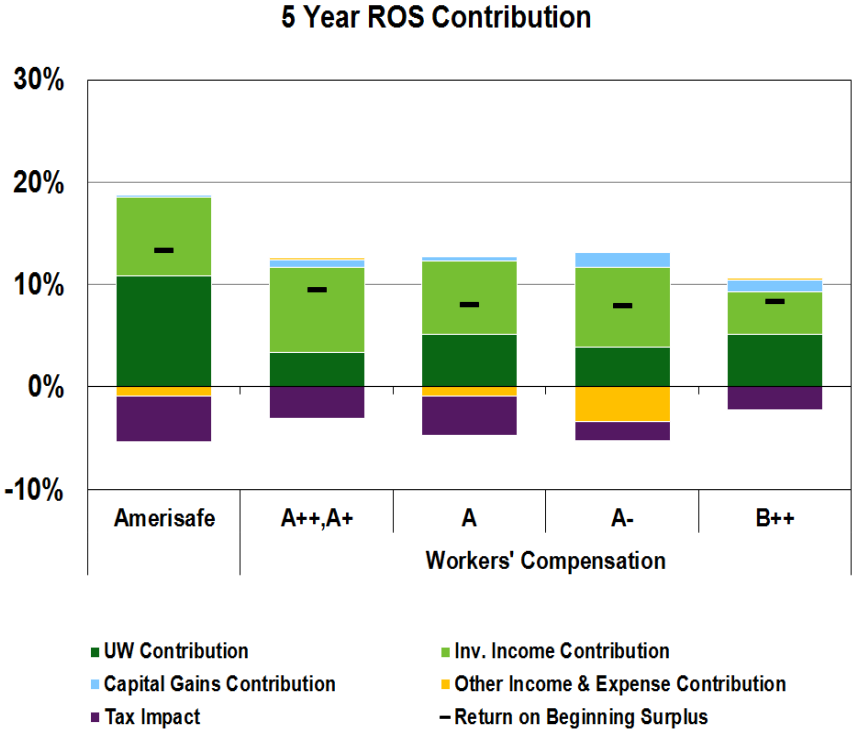
Economic Model - ROE Drivers

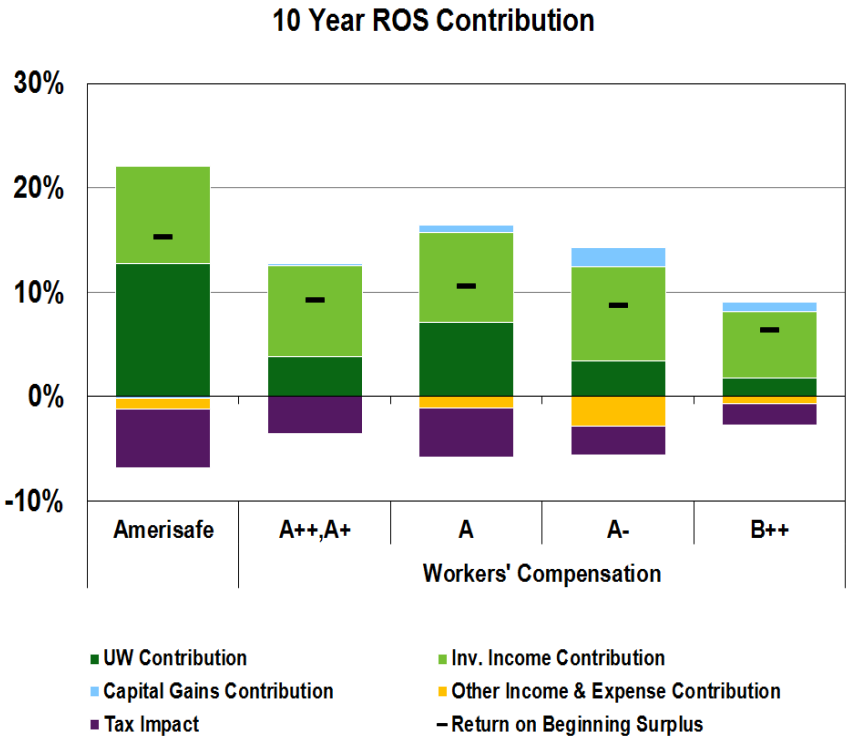
	1Q17
Loss Ratio	61.8%
+	
Expense Ratio	23.3%
+	
Policyholder Dividend Ratio	1.5%
=	
Combined Ratio	86.6%
Underwriting Profit	13.4%
x	
Operating Leverage	0.78
=	
Pre-tax ROAE from Underwriting	10.5%
Pre-tax Investment Yield	2.3%
x	
Investment Leverage	2.5
=	
Pre-tax ROAE from Investing	5.8%
Pre-tax ROAE from Other Income (Expense)	(0.1%)
Pre-tax ROAE	16.2%
Effective Tax Rate	27.8%
ROAE	11.7%

- Imperative to execute on the fundamentals of underwriting, safety and claims with investment yields at current levels

- At current leverage ratios, a 1 point change in Loss Ratio equates to a 31 BP change in yield to maintain ROE

Contributions to Returns





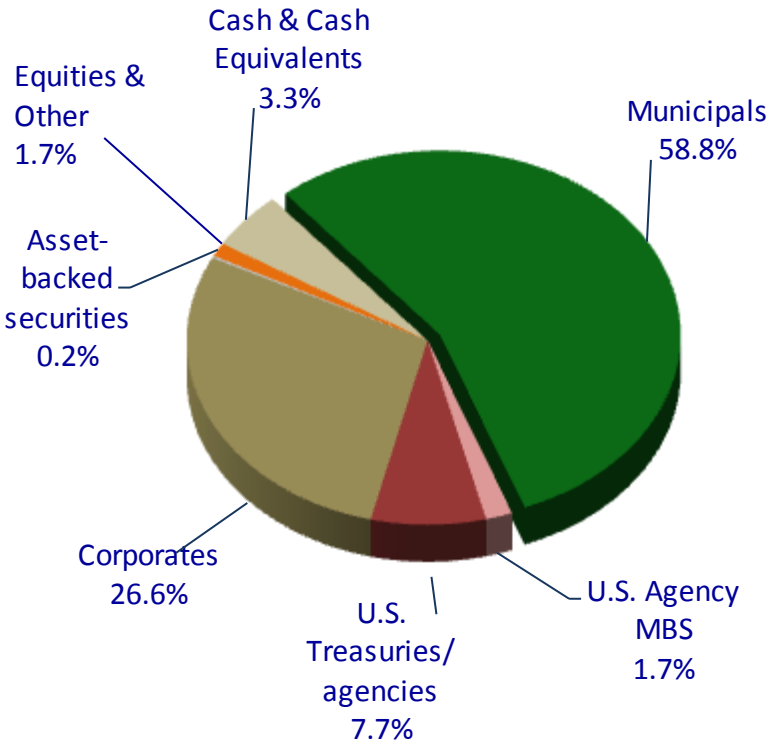
Amerisafe continues to outperform the A.M. Best rated workers' compensation peer group, due primarily to favorable underwriting performance

As of December, 2015; Source: Willis Towers Watson; A.M. Best Data

Investment Portfolio

Portfolio Allocation

(as of 3/31/2017)



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

(as of 3/31/2017)

Investment	Book Value ($millions)	Fair Value ($millions)	Unrealized Gain (Loss)
Municipals	$429.1	$435.8	$6.7
Corporate Bonds	$140.6	$140.8	$0.2
U.S. Agency MBS	$9.2	$10.0	$0.8
U.S. Treasuries	$14.1	$14.8	$0.7
ABS	$1.8	$1.9	$0.1
Total	**$594.8**	**$603.3**	**$8.5**

- Carrying value of cash and investments was $1.1 billion at March 31, 2017
- As of March 31, 2017, fixed-maturity securities have an average composite credit rating of “AA-”

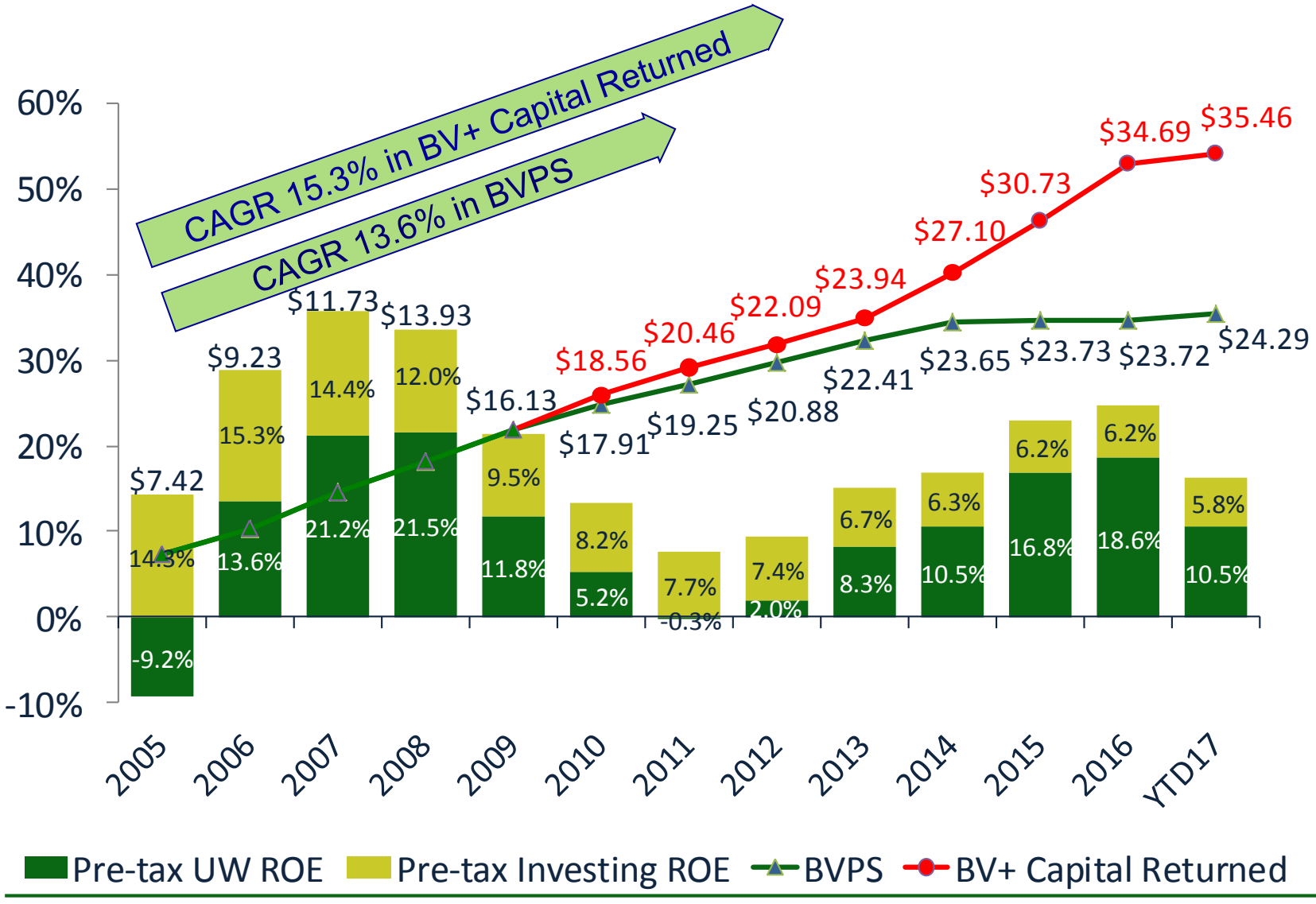
Capital Management

- Goal: Maintain and Balance
  - Hold prudent capital levels to maintain A.M. Best financial strength rating of “A”, yet achieve attractive returns for shareholders

- History of Proactive Capital Management
  - $62.0M of preferred and debt retirement
  - $22.4M of share repurchases
  - $192.1M of dividends paid/declared
    - Extraordinary Dividends $28.2M in 2014; $57.4M in 2015;
    - and $62.5M in 2016

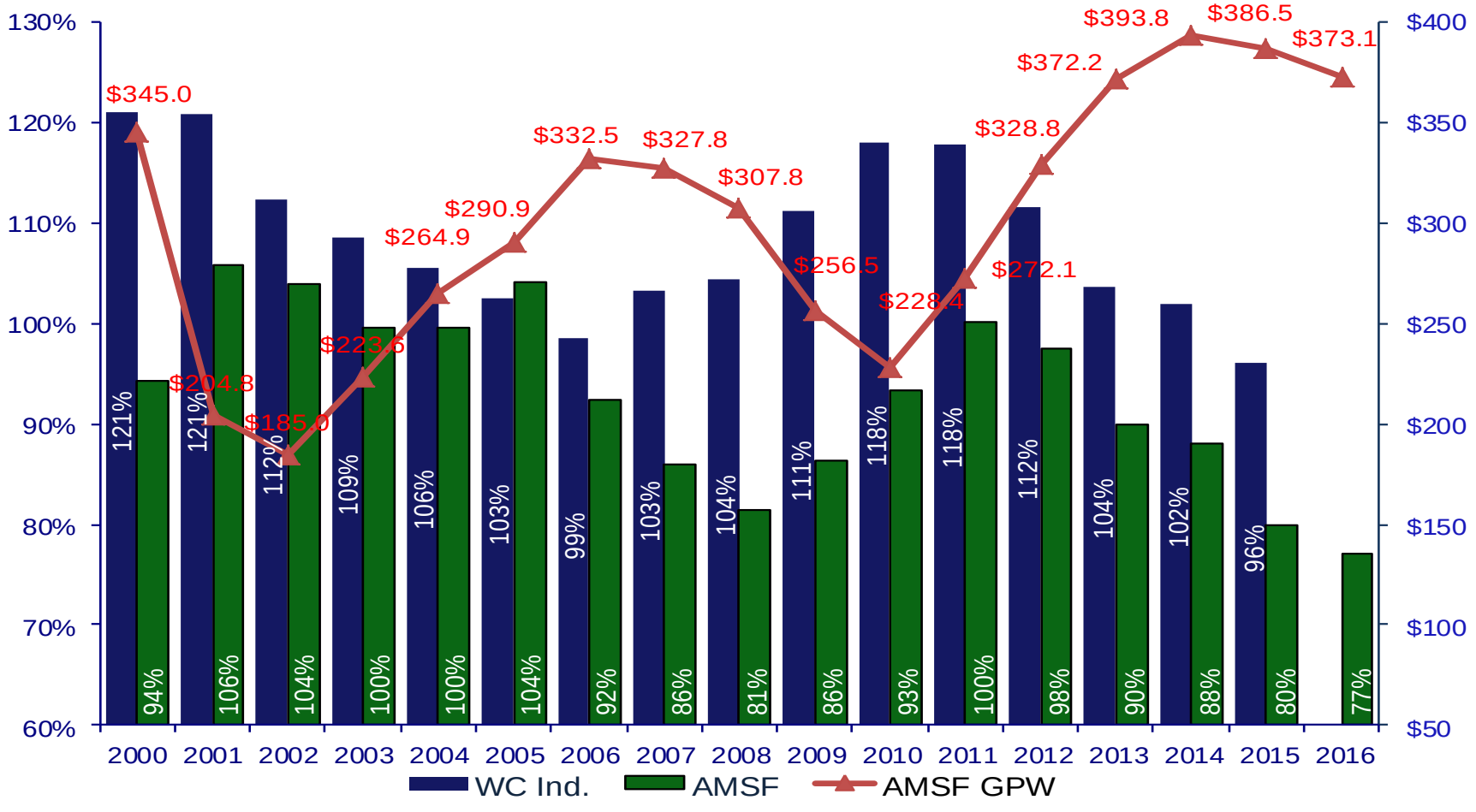
- Current Capital Deployment Strategies
  - Organic growth
  - Acquisition considerations
    - Renewal rights
    - Balance sheet
  - Continued dividend payments
  - $25M Share repurchase authorization

Historical Financial Performance



Current Workers' Compensation Market Conditions

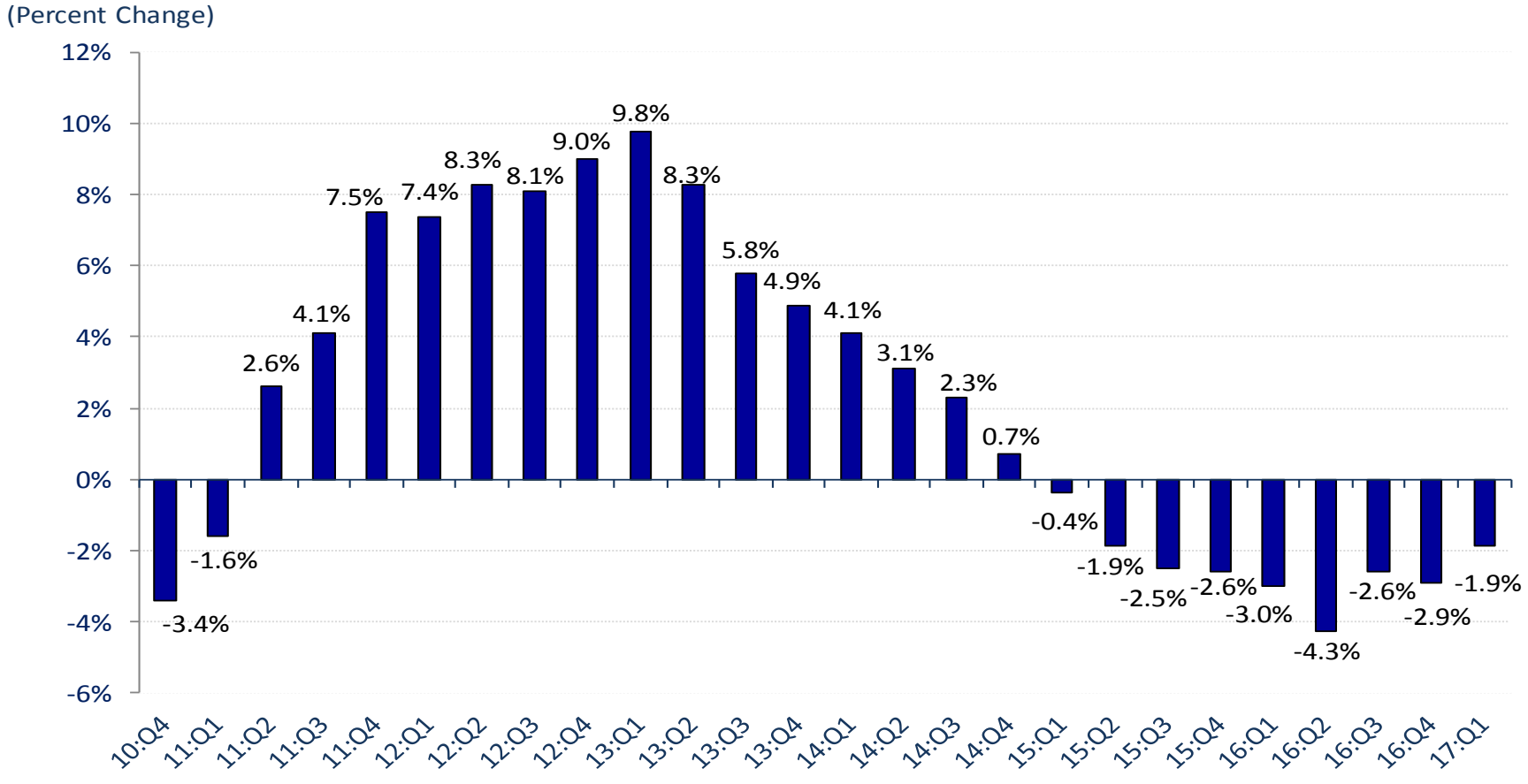
WC Industry Combined Ratio



- AMSF Average Outperformance 14.8 pts., Since 2000
- AMSF Average Outperformance 17.3 pts., Since 2006

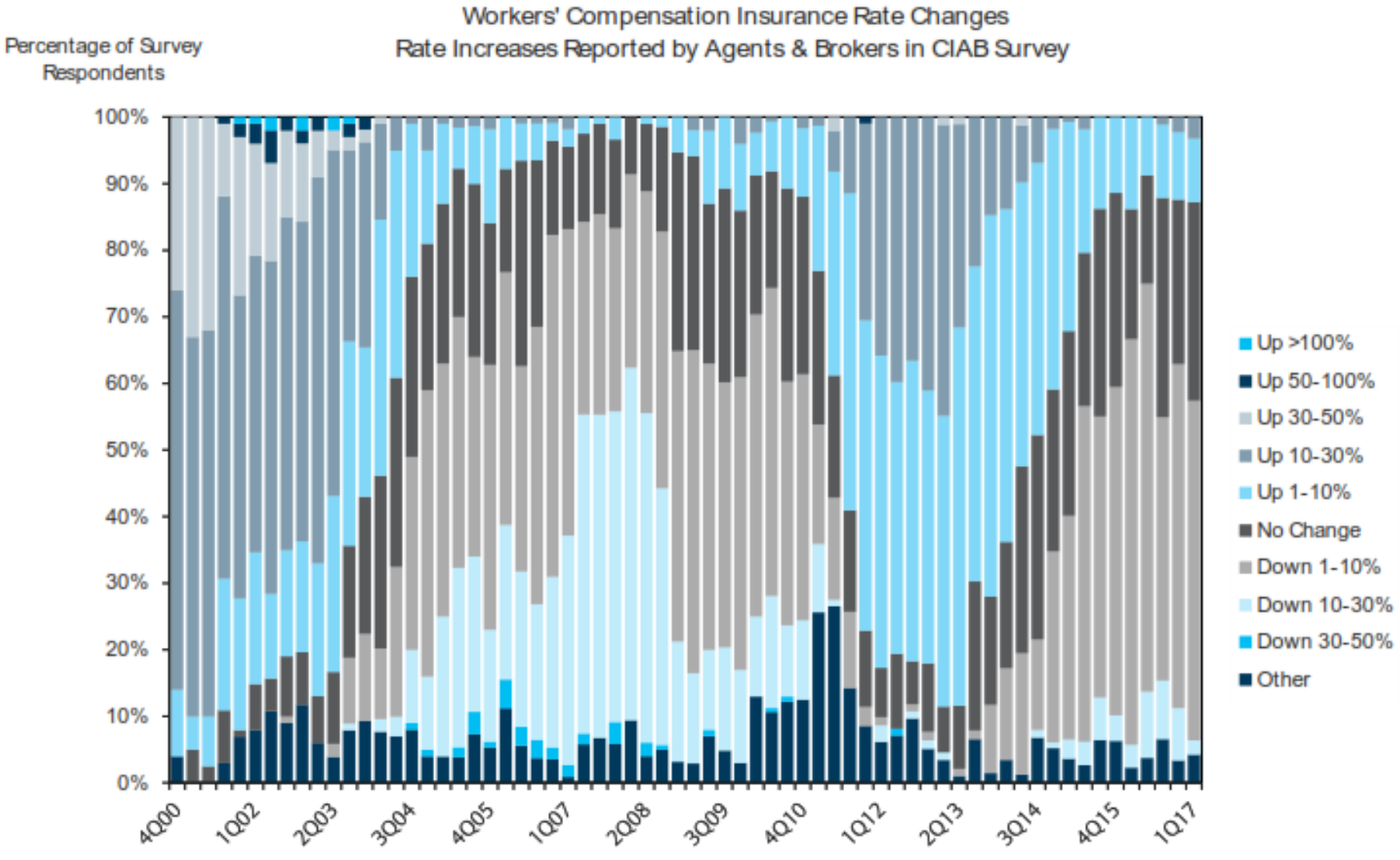
Sources: A.M. Best; Workers' Compensation Composite

Workers Comp Rate Changes, 2010:Q4 – 2017:Q1



Source: The Council of Insurance Agents and Brokers.

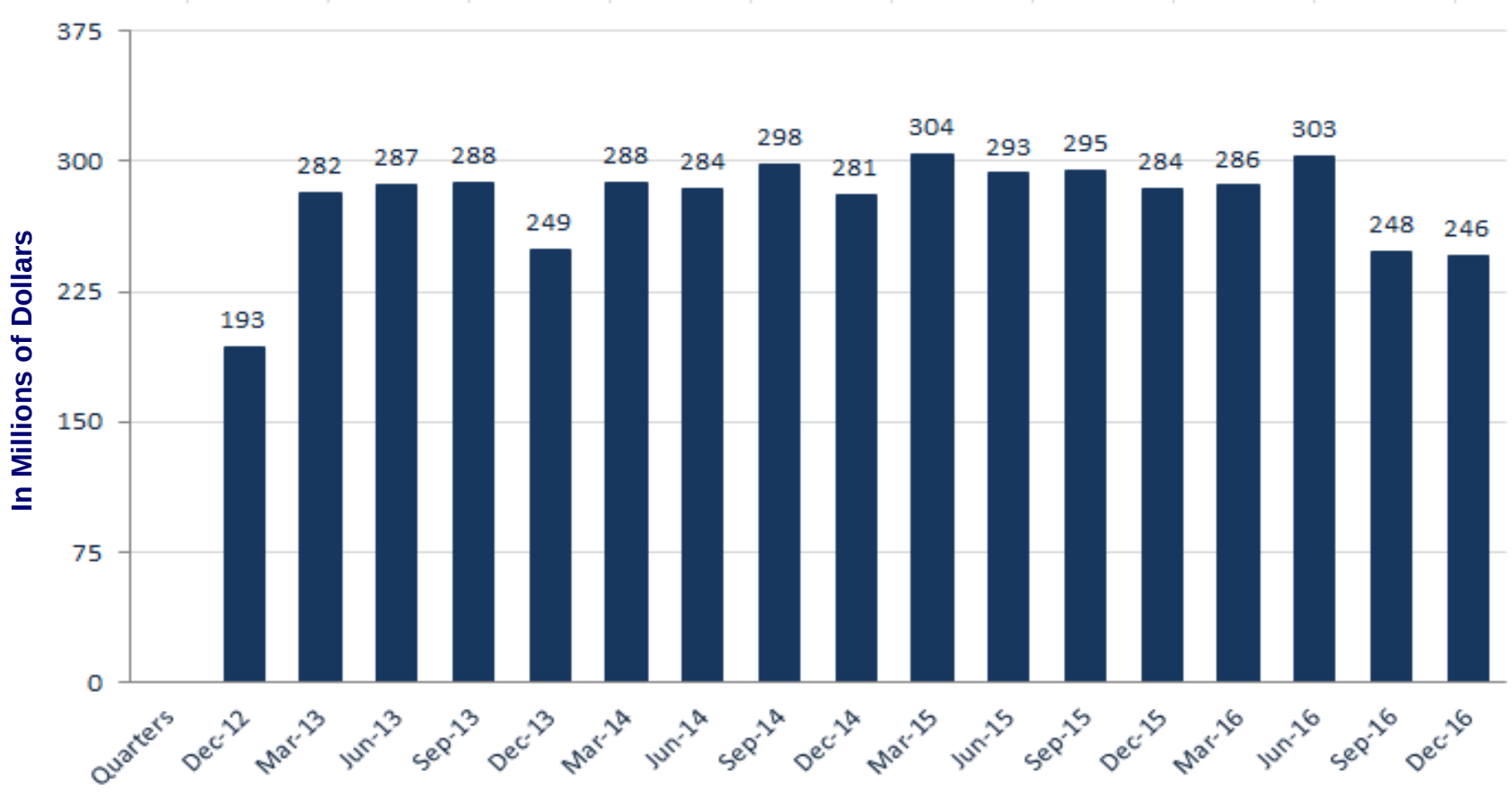
WC Insurance Rate Changes



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

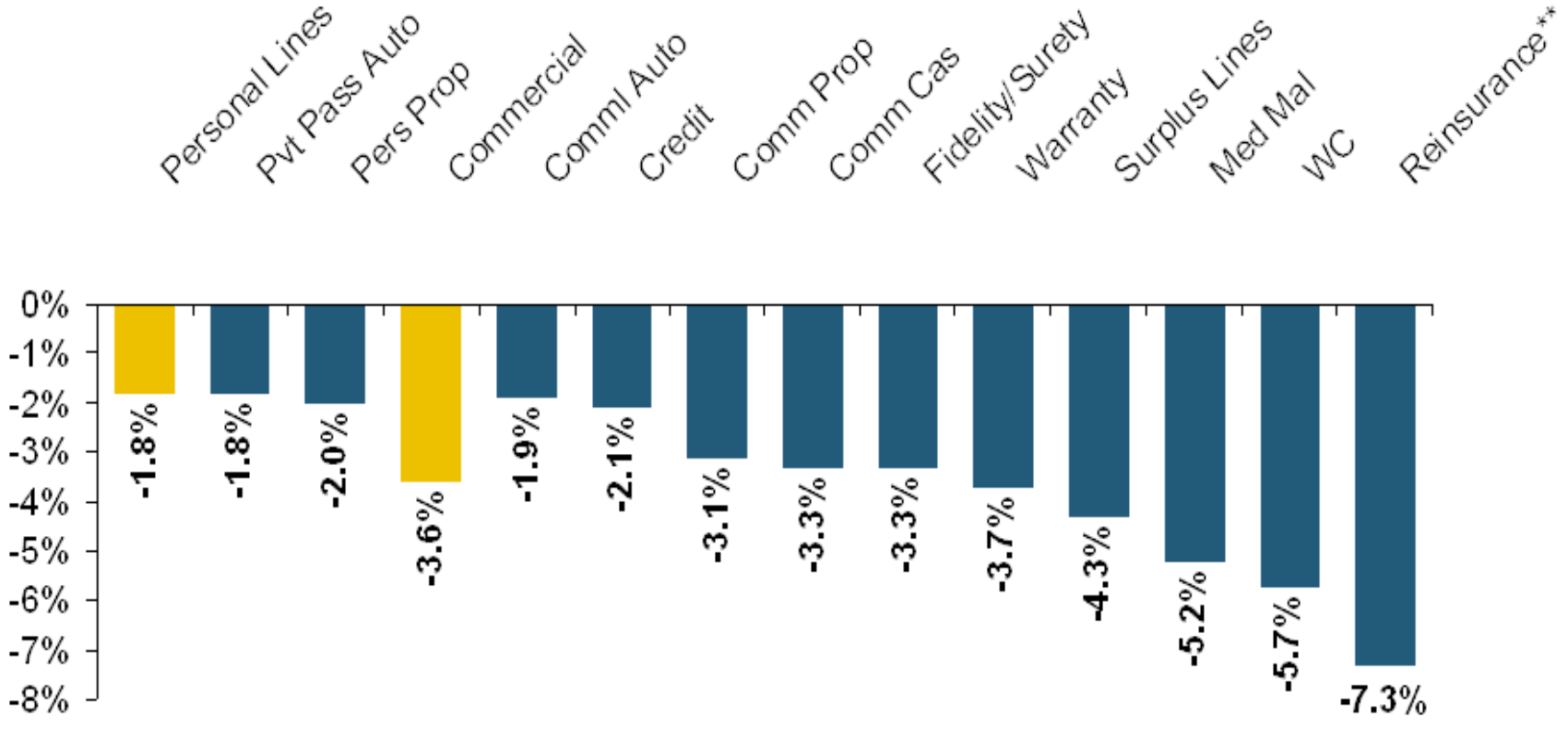
Residual Market Activity

ALL POOLS-NET WRITTEN PREMIUM*
ALL POLICY YEARS COMBINED



*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: 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

Stock Price	**$51.55**
52 week range	**$51.20 - $69.40**
Shares Outstanding	**19.2 M**
Market Cap	**$995.2 M**
Book Value per Share	**24.29**
Price-to-Book	**2.12**

Market data as of May 30, 2017; Financial data as of March 31, 2017

Selected Balance Sheet Data

(in thousands)

	YTD 2017	2016	2015
Investments, Cash and cash equivalents	$1,146,623	$1,143,410	$1,114,633
Amounts recoverable from reinsurers	82,897	83,666	91,077
Premiums receivable, net	191,276	183,005	185,364
Deferred income taxes	33,311	33,811	29,905
Deferred policy acquisition costs	19,866	19,300	20,412
Other Assets	62,563	55,664	60,654
Total Assets	1,536,536	1,518,856	1,502,045
Reserves for loss and loss adjustment expenses	749,496	742,776	718,033
Unearned premiums	163,803	162,028	167,983
Insurance-related assessments	33,312	31,742	32,329
Other Liabilities	122,824	126,160	129,719
Shareholders' equity	467,101	456,150	453,981
Metrics			
Book Value Per Share	$24.29	$23.72	$23.73

Income Statement

(in thousands)

	YTD 2017	2016	2015
Revenues:			
Gross premiums written	$95,078	$373,055	$386,529
Ceded premiums written	(2,391)	(10,307)	(11,228)
Net premiums written	$92,687	$362,748	$375,301
Net premiums earned	$90,912	$368,704	$375,894
Net investment income	6,710	28,106	27,902
Net realized gains (losses) on investments	(181)	(494)	(2,494)
Fee and other income	101	346	(348)
Total revenues	97,542	396,662	400,954
Expenses:			
Loss and loss adjustment expenses incurred	56,216	199,031	214,573
Underwriting and other operating costs	21,222	80,594	84,113
Policyholder dividends	1,371	4,216	1,301
Total expenses	78,809	283,841	299,987
Income before taxes	18,733	112,821	100,967
Income tax expense	5,209	34,956	30,505
Net income	$13,524	$77,865	$70,462