

RAYMOND JAMES INSURANCE CONFERENCE – NOV. 9, 2022

INVESTOR PRESENTATION

G. Janelle Frost
Chief Executive Officer

Andy Omiridis
Chief Financial Officer

THE PREMIER WORKERS' COMPENSATION SPECIALIST

AMERISAFE
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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 and include statements regarding management’s views and expectations of the workers’ compensation market, the Company’s growth opportunities, underwriting margins and actions by competitors. 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. Other factors that may affect our results are 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, 2021. 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.

Company Highlights

Ticker / Exchange	AMSF / Nasdaq
Headquarters	DeRidder, LA
Stock Price	$58.41
Annual Dividend / Yield	$1.24 / 2.12%
Market Cap	$1.12 B
Average Combined Ratio / ROE*	86.0% / 15.5%
Annual Net Premiums Earned (TTM)	$273 M
Employees – 2021	371
Annual Shareholder Return*	15.0%

Market data as of October 31, 2022;
Financial data as of September 30, 2022
*2006 – 2021

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OVERVIEW

AMERISAFE has a 36-year operating history as a specialty provider of workers' compensation insurance for small to mid-sized employers engaged in high hazard industries.

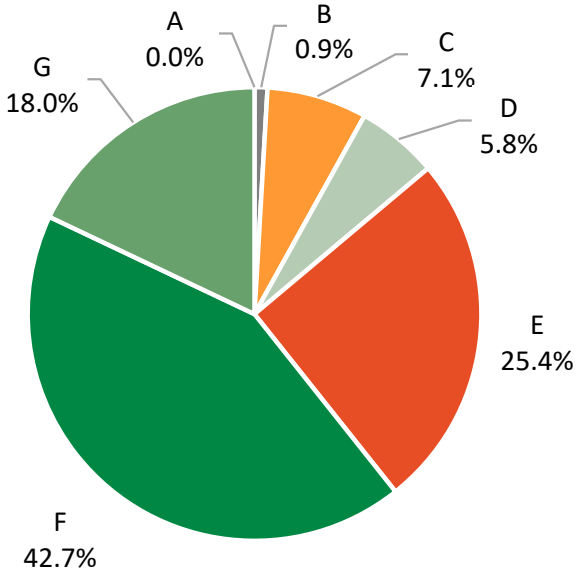
86% in Hazard Groups E-G

Higher Risk

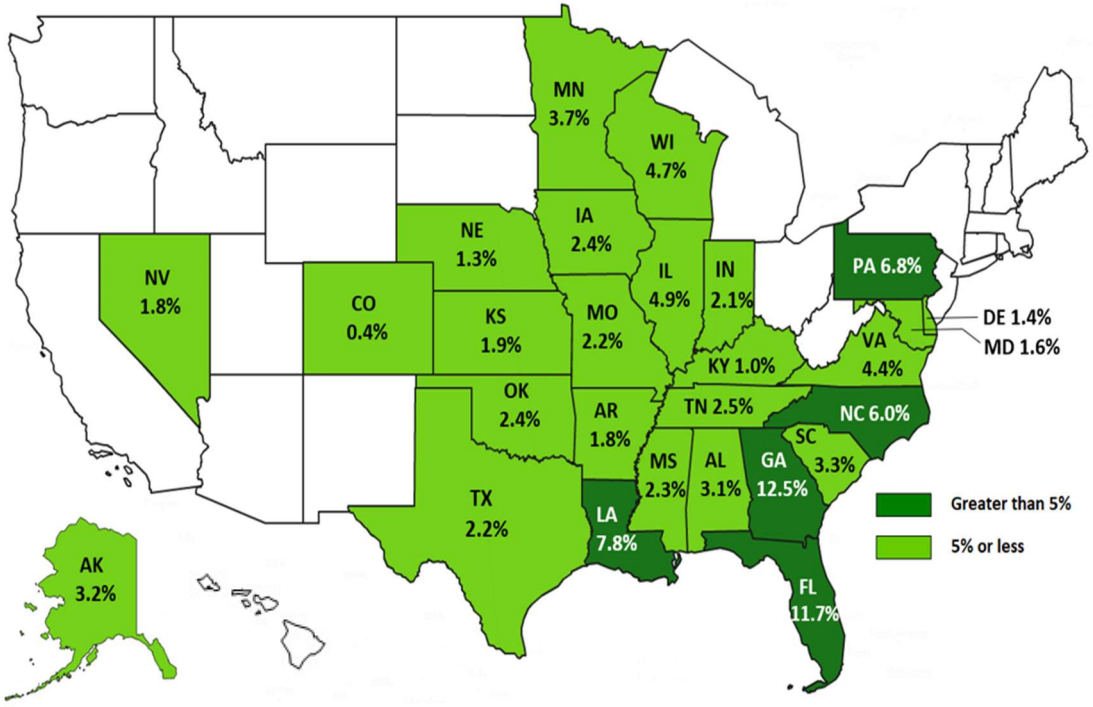
Lower Risk

14% in Hazard Groups A-D

2021 Premiums by Hazard Group



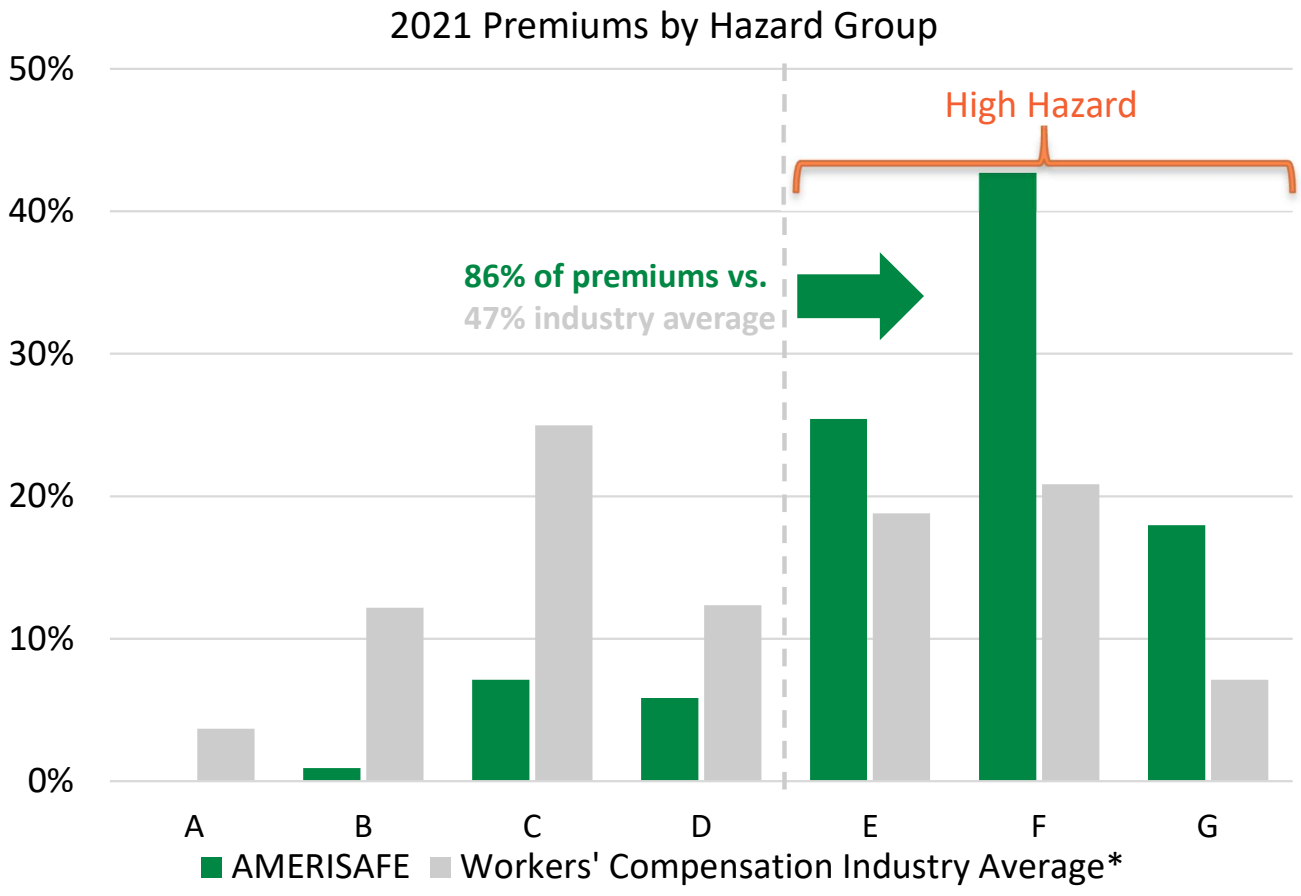
2021 Premium Distribution by State



AMERISAFE actively markets insurance in 27 states

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HIGH HAZARD NICHE



*2019 NCCI Hazard Group data

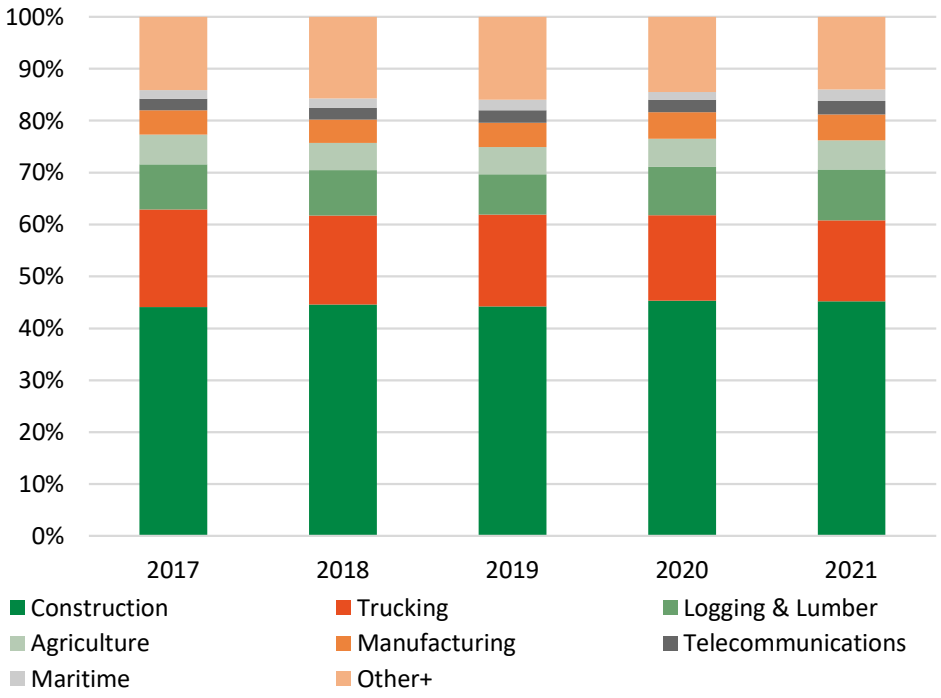
" The difference between chance and risk is knowledge. The more you know, the less risk you take."

–Millard Morris, Founder

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PREMIUM DISTRIBUTION

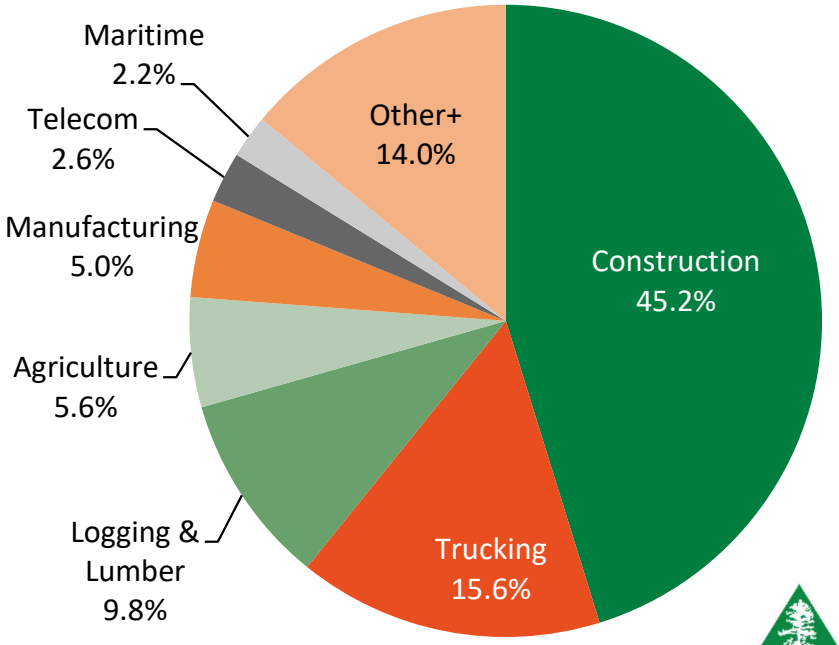
Historical Premium Distribution of Major Industry Groups



Premium Distribution by Industry

12/31/21

**Includes Assigned Risk & Assumed premiums*



[+]Other includes a wide variety of high-hazard business including railroad construction, window washers, machinery dealers, and other businesses.

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PILLARS OF DISTINCTION

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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
- Underwriter bonus tied directly to underwriting profitability

Comprehensive Safety Services

- Field Safety Professionals (FSPs) maintain in-depth knowledge of high hazard industries
- Pre-quotation, worksite safety inspection performed on 92.0% of new accounts
- FSPs geographically dispersed
- FSPs bonus tied directly to underwriting profitability

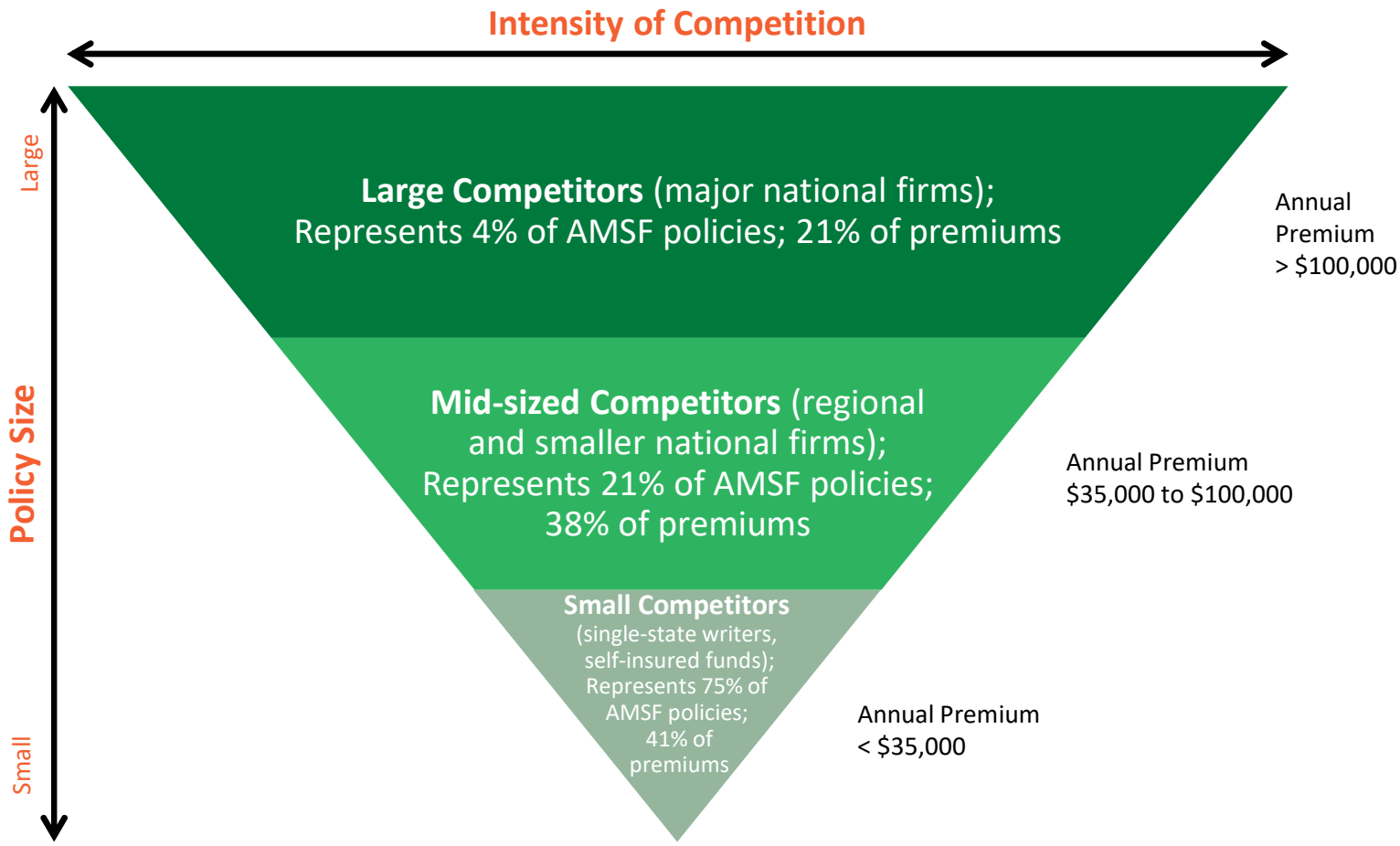
Intensive Claims Management

- Field Case Managers (FCMs) located in service areas
- Low case load of less than 50 claims per FCM
- Higher severity losses require unique claims handling skills and processes
- FCMs focus on timely resolution of claims

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AMERISAFE CUSTOMER OVERVIEW

Competition is fragmented.

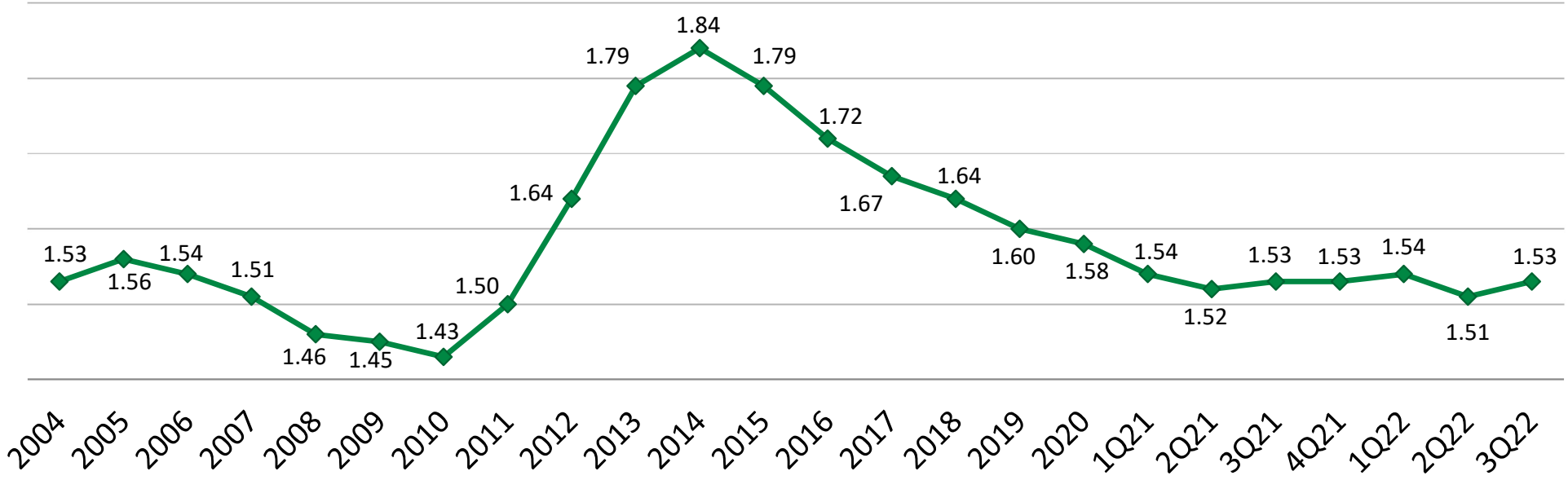


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PRICING FOR PROFITABILITY

- **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

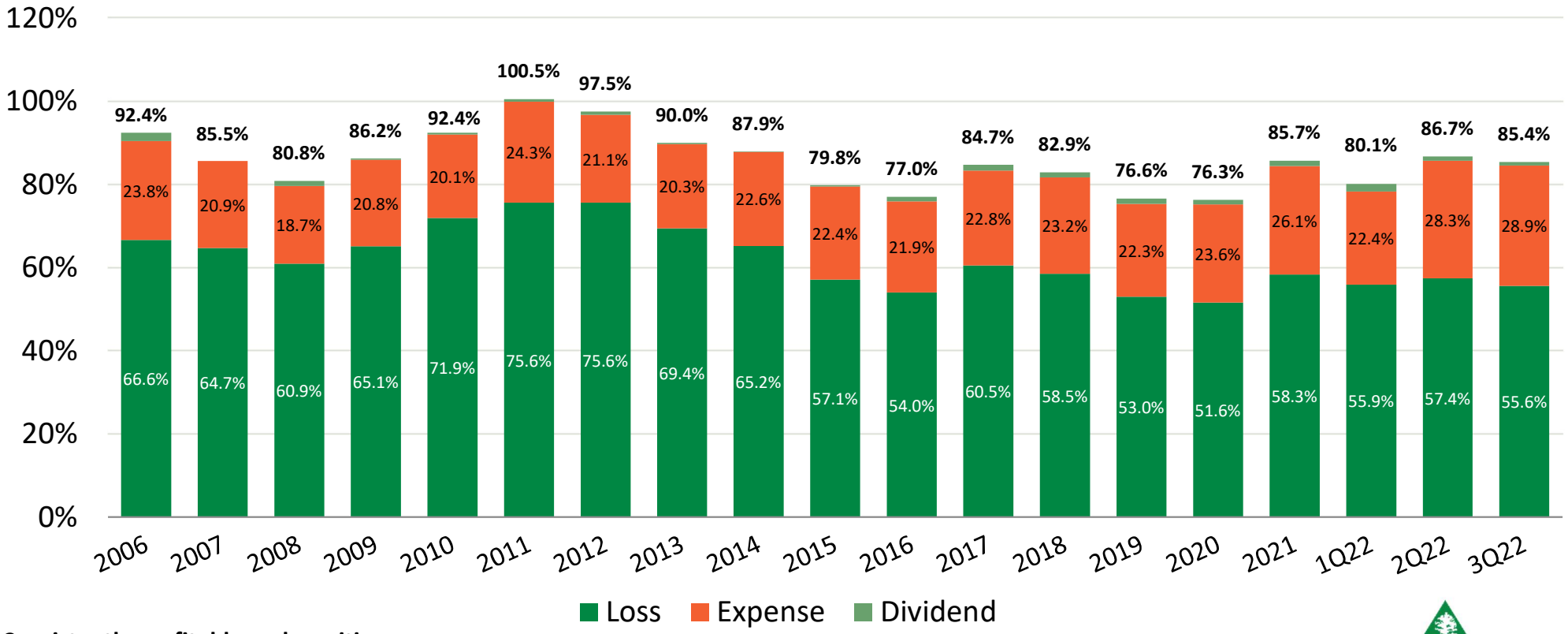
Policy Year ELCM



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UNDERWRITING EXPERTISE

COMBINED RATIO

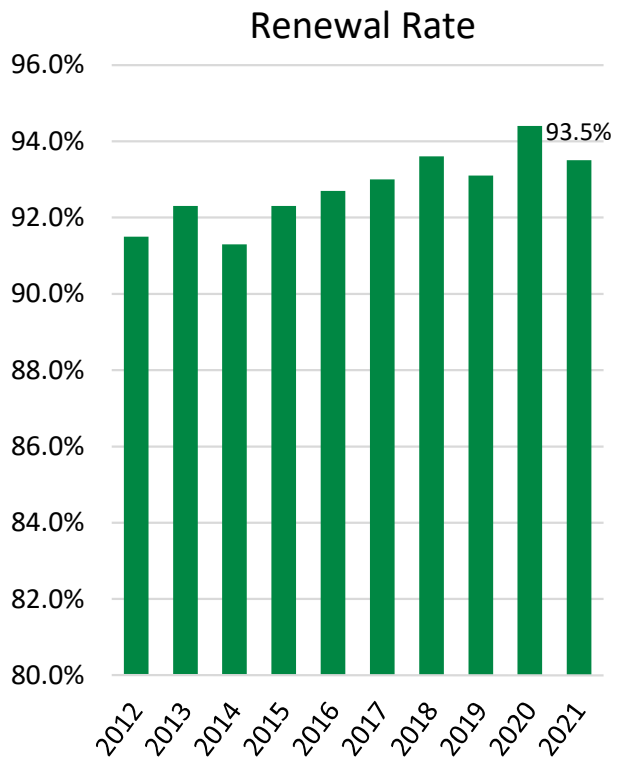


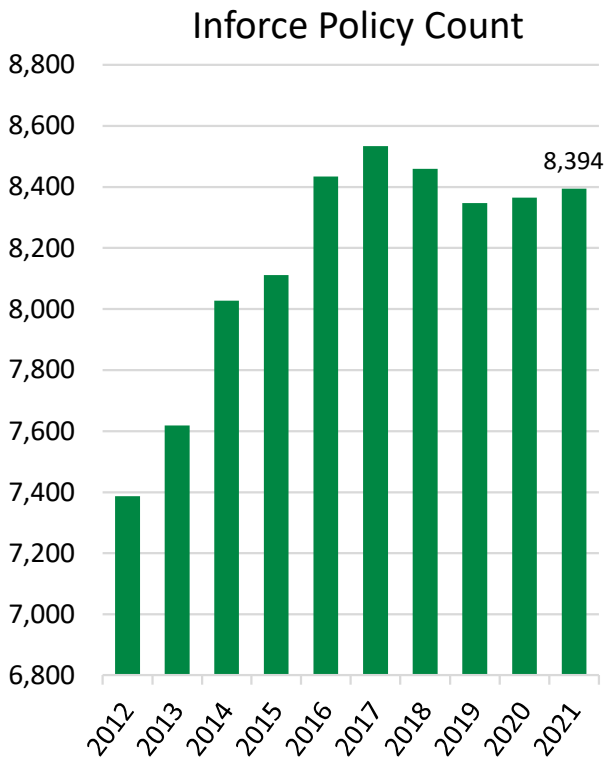
Consistently profitable underwriting

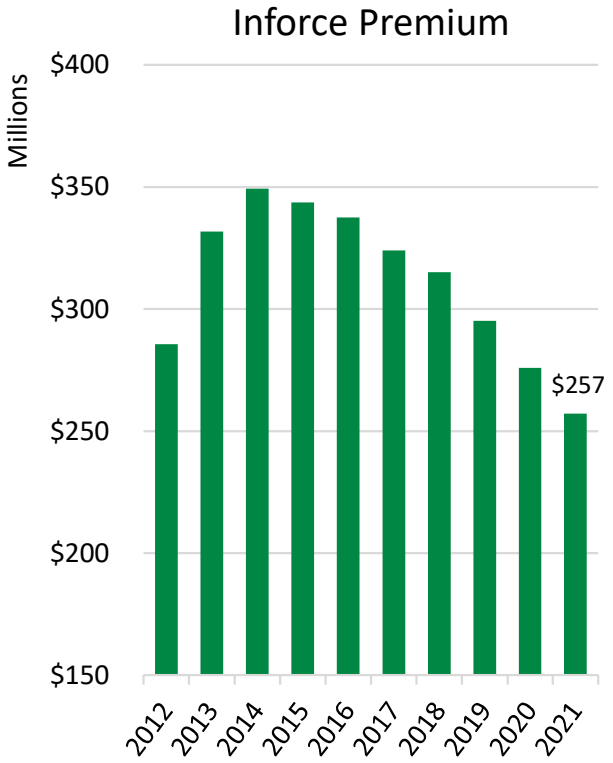
- 86.0% average combined ratio from 2006 – 2021

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OPERATING TRENDS







*Policy renewal rate on voluntary business that we elected to quote for renewal.

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ECONOMIC MODEL
ROE DRIVERS

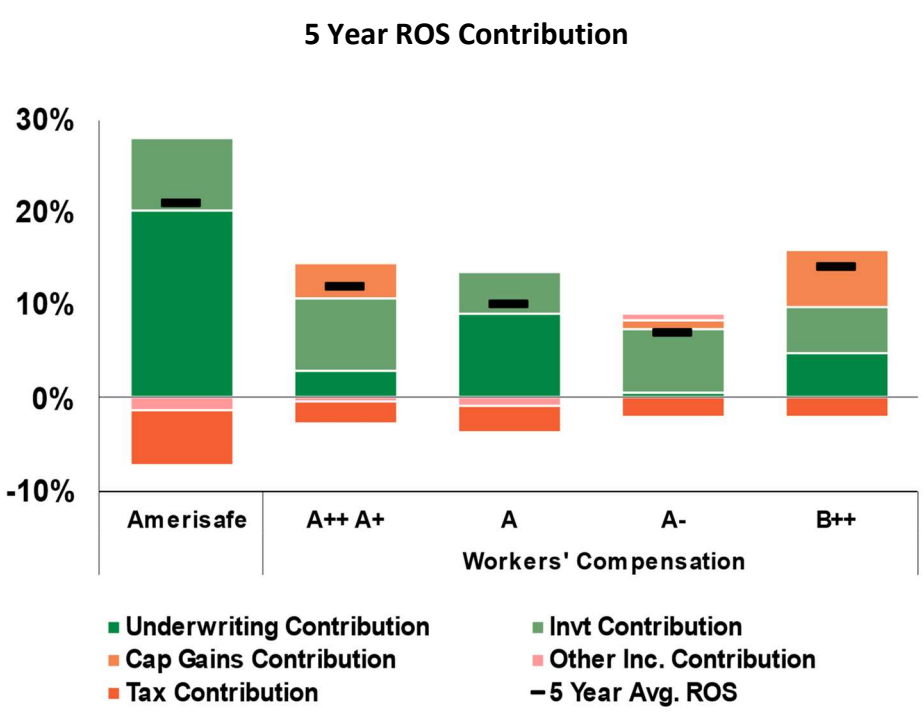
- Imperative to execute on the fundamentals of underwriting, safety and claims with investment yields at low levels
- At current leverage ratios, a 1-point change in Loss Ratio equates to a 25-bps change in yield to maintain ROE

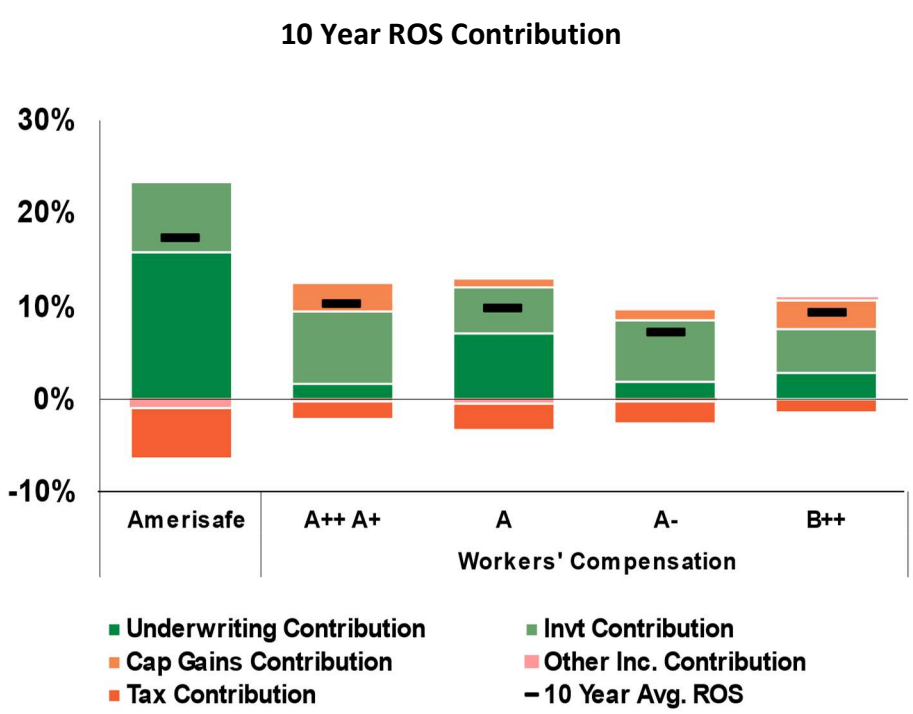
	2022YTD
Loss Ratio	56.3%
+	
Expense Ratio	26.6%
+	
Policyholder Dividend Ratio	1.2%
=	
Combined Ratio	**84.1%**
Underwriting Profit	15.9%
x	
Operating Leverage	0.69
=	
Pre-tax ROAE from Underwriting	**11.0%**
Pre-tax Investment Yield	2.63%
x	
Investment Leverage	2.7
=	
Pre-tax Operating ROAE from Investing	**7.2%**
Pre-tax Operating ROAE from Other Income (Expense)	**(0.3%)**
Pre-tax Operating ROAE	**17.8%**
Effective Tax Rate	17.1%
Operating ROAE	**14.8%**

*As of September 30, 2022

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CONTRIBUTIONS TO RETURNS

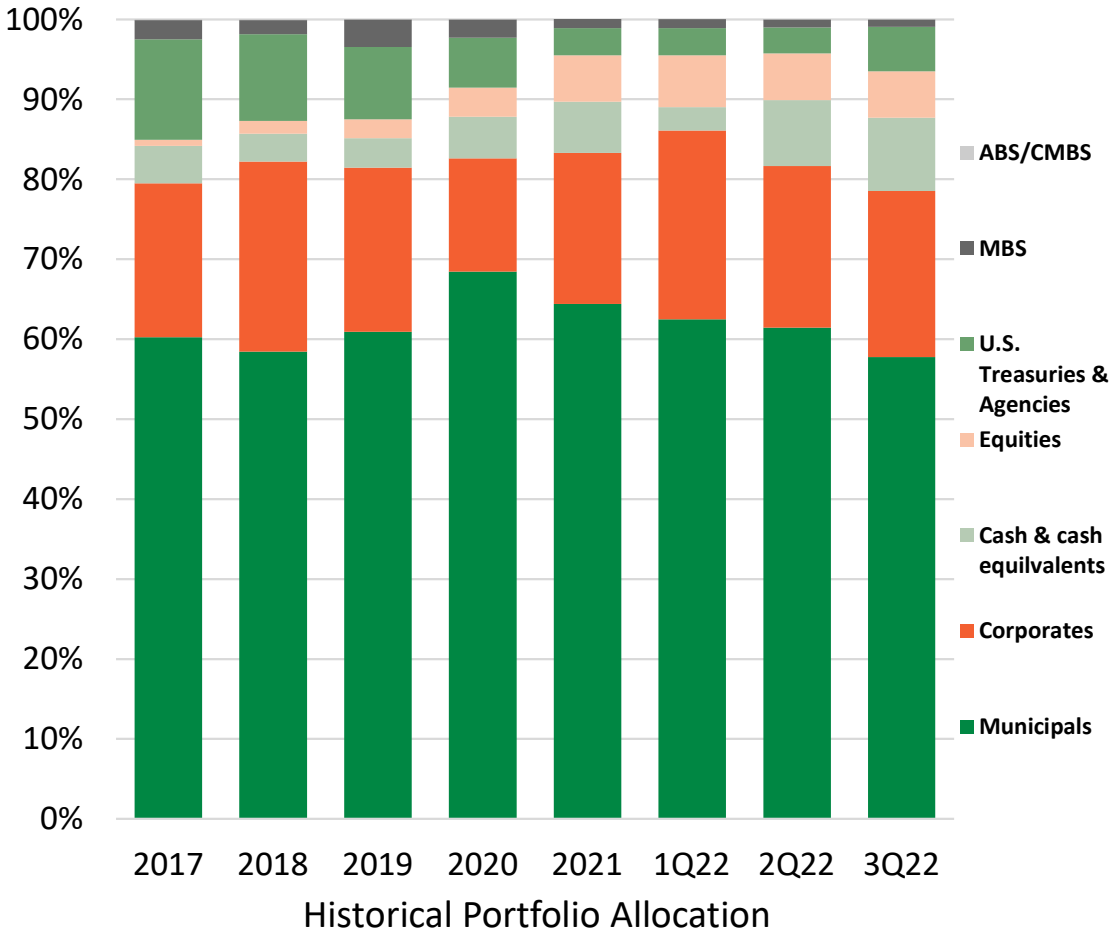




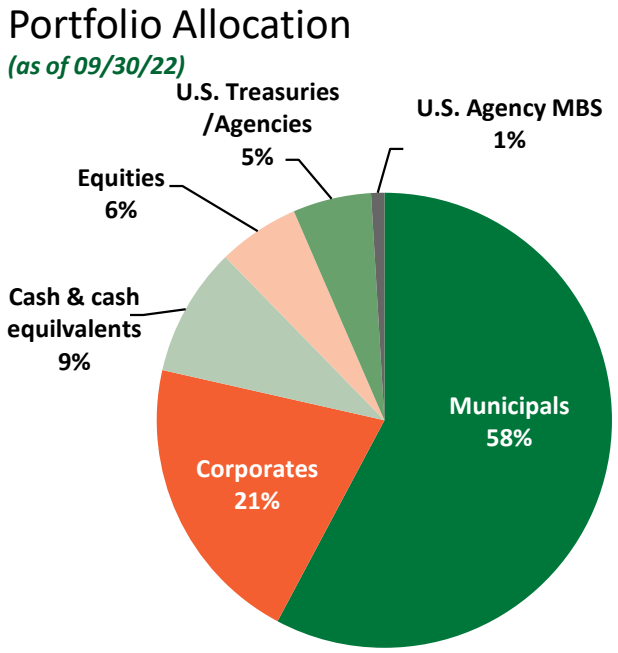
AMERISAFE continues to significantly outperform the A.M. Best rated workers' compensation peer group, primarily due to favorable underwriting performance.

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INVESTMENT PORTFOLIO



Historical Portfolio Allocation



- **Investment Portfolio:** AA- quality; $1.0 billion; 4.09 duration; 3.16% tax equivalent book yield
- **Bonds:** AA- quality; 85% weight; 4.53 duration
- **Equities:** Largely ETFs; 6% weight; 2.79% dividend yield
- **Cash:** 9% weight; 2.83% yield

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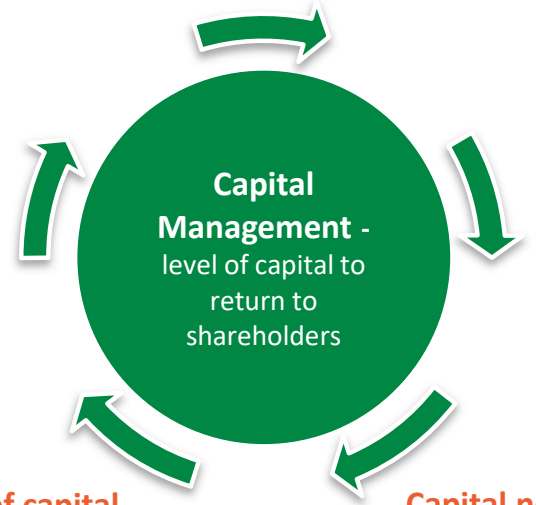
CAPITAL MANAGEMENT

Credit rating

- Maintain current rating of "A" Excellent from A.M. Best

Capital efficiency

- Target top quartile ROE in sector (15% over a P&C cycle)



Capital distribution decision

Form of distribution decision

Ordinary dividends:

Increased dividend 7% in 2022 to $0.31 / $1.24

Special dividends:

$3.00 dividend in 2015

$3.25 dividend in 2016

$3.50 dividend in 2017-2020

$4.00 dividend in 2021-2022

Share repurchases:

$2.1M in 1Q22

$3.6M in 2Q22

$6.5M in 3Q22

$12.8M remaining share repurchase authorized

Debt repurchases:

No debt outstanding

Strategic use of capital

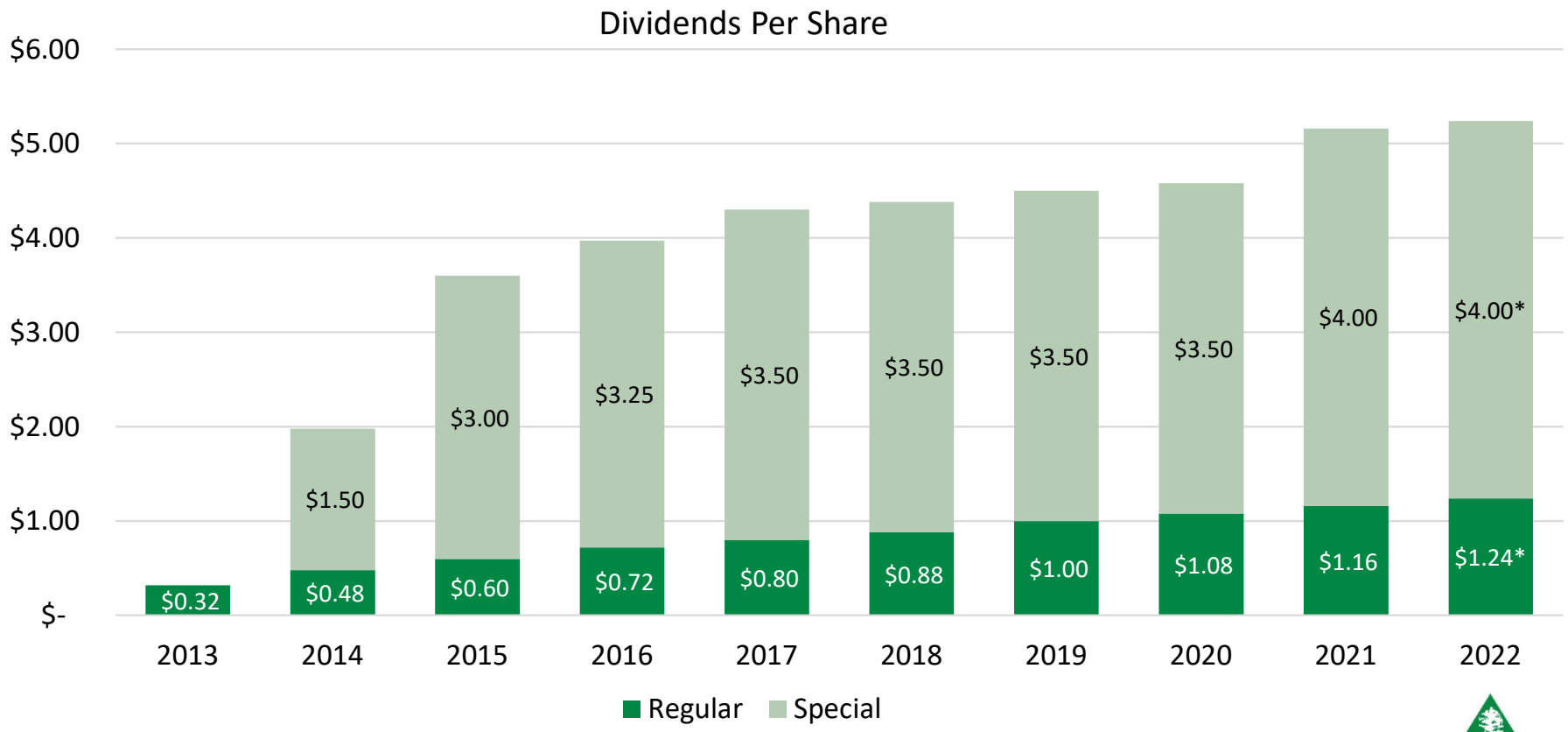
- Acquisition
- Technology Investments
- Strategic Investments

Capital needed to cover risk

- Asset Risk (Investments)
- Pricing / Underwriting Risk (Premiums)
- Reserve Risk
- Reinsurance Risk
- Catastrophe Risk

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CAPITAL MANAGEMENT

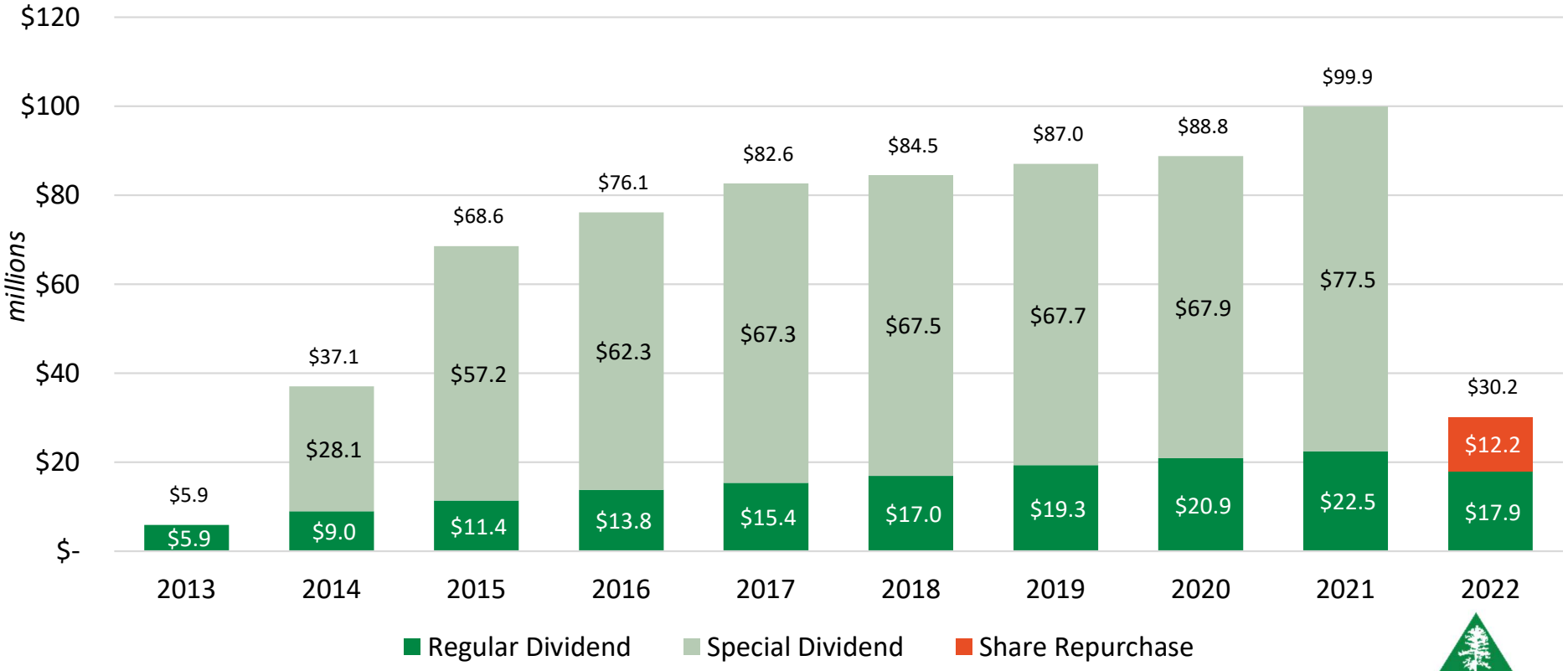


*$0.31 regular and $4.00 special dividend payable 12/16/22.

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CAPITAL MANAGEMENT

$661 Million of Excess Capital Returned to Shareholders over 10 Years



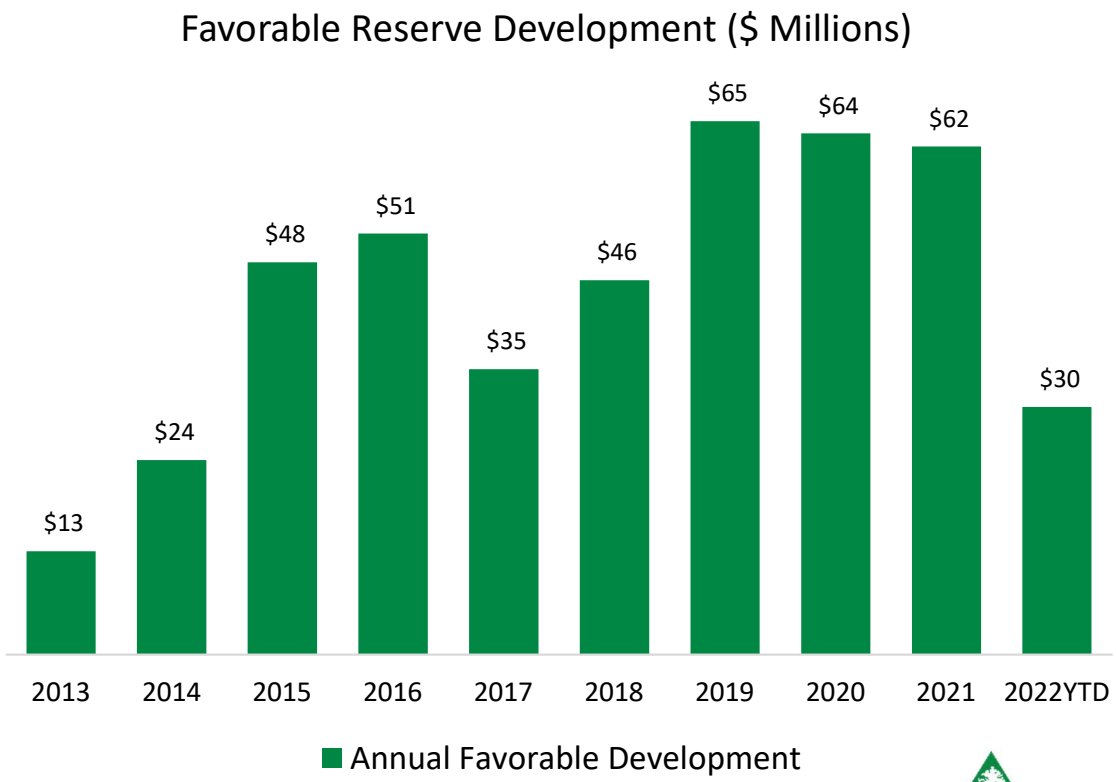
*As of September 30, 2022

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HISTORY OF RESERVES

Reserve Review Process

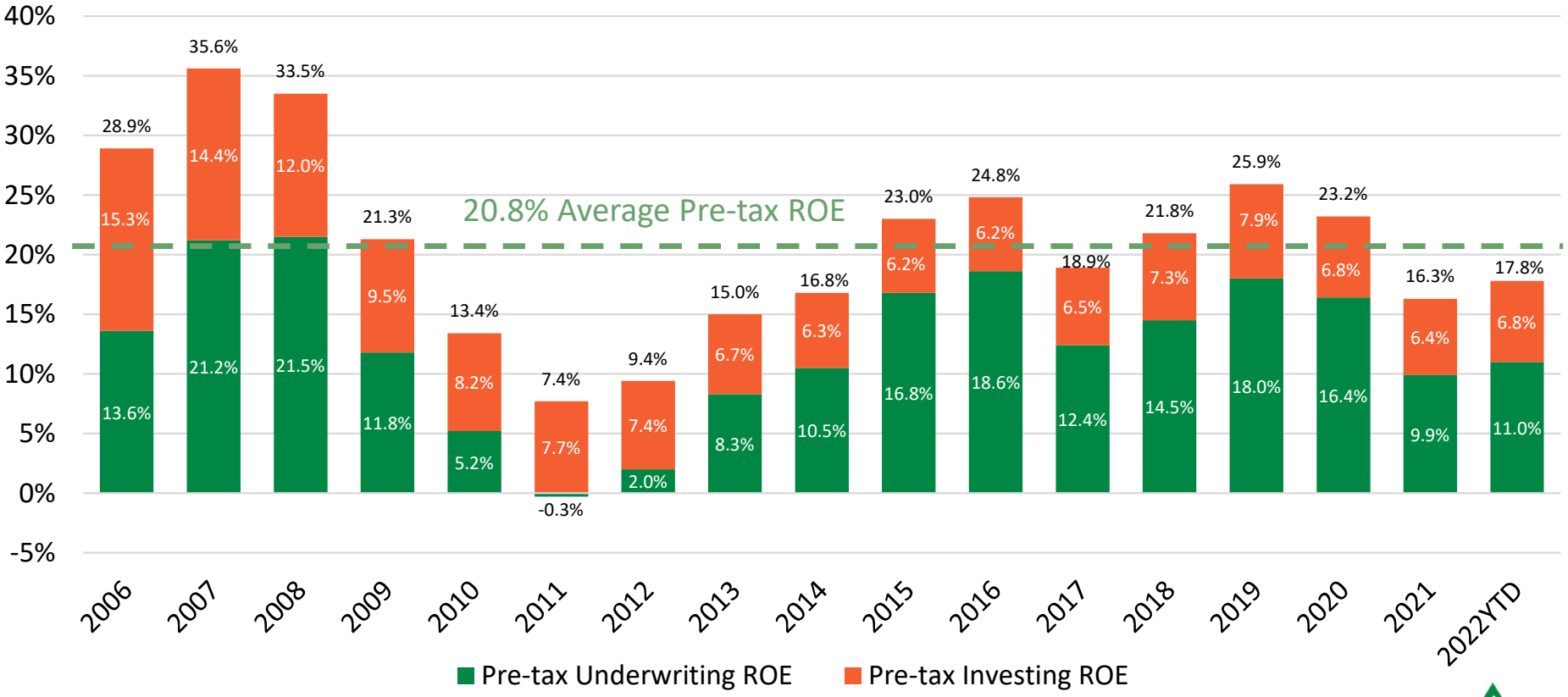
- Set initial case reserve at most probable outcome.
- Work to close and settle claims as soon as possible (closed claims don't develop unfavorably).
- Favorable reserve development for 16 consecutive years
- Over $436 million in favorable reserve development the last 10 years (2013 – 2022YTD).



*As of September 30, 2022

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HISTORICAL FINANCIAL PERFORMANCE

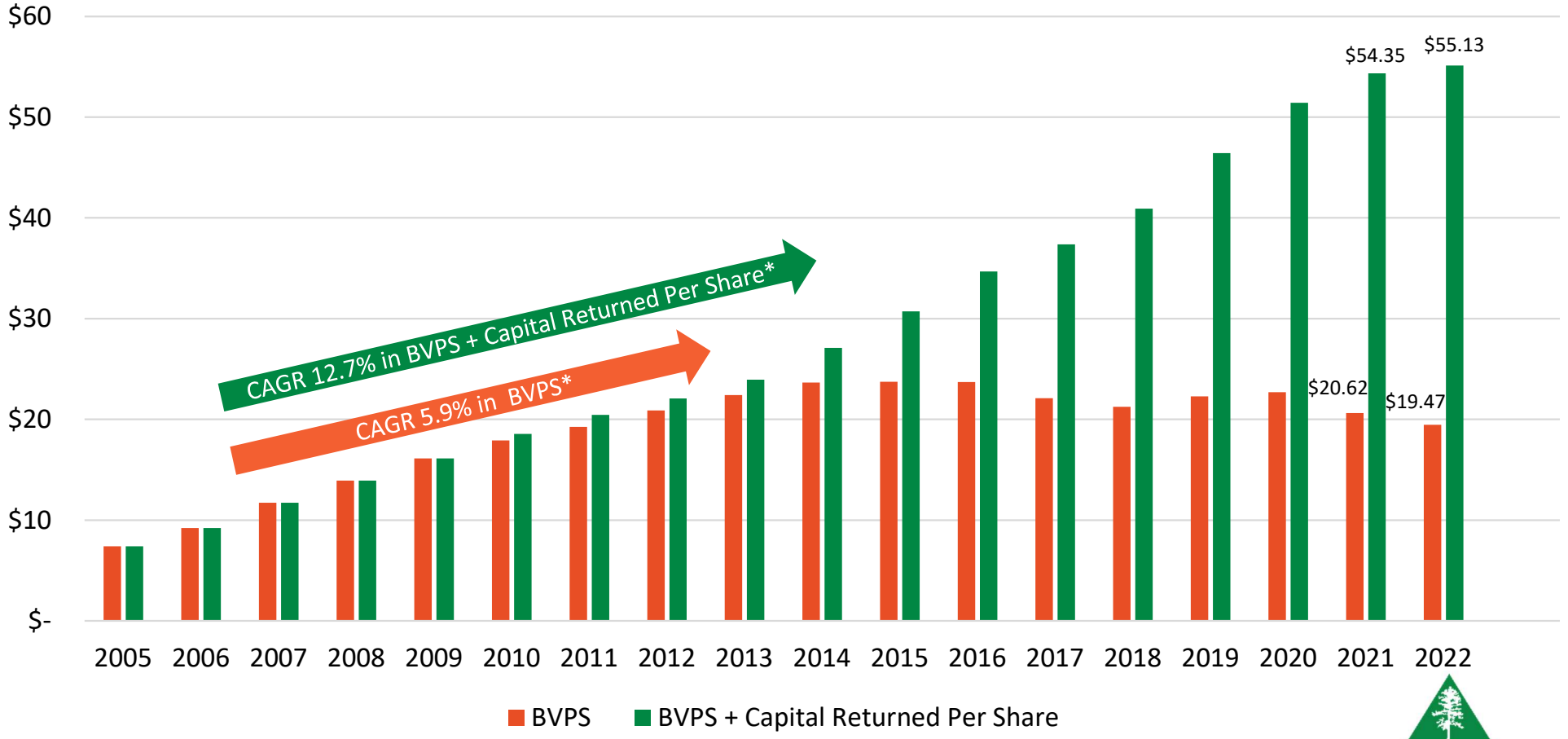


- 20.8% average total pre-tax underwriting and pre-tax investing ROE from 2006 – 2022YTD
- 15.00% operating ROE goal over the course of an insurance cycle

*As of September 30, 2022

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HISTORICAL FINANCIAL PERFORMANCE



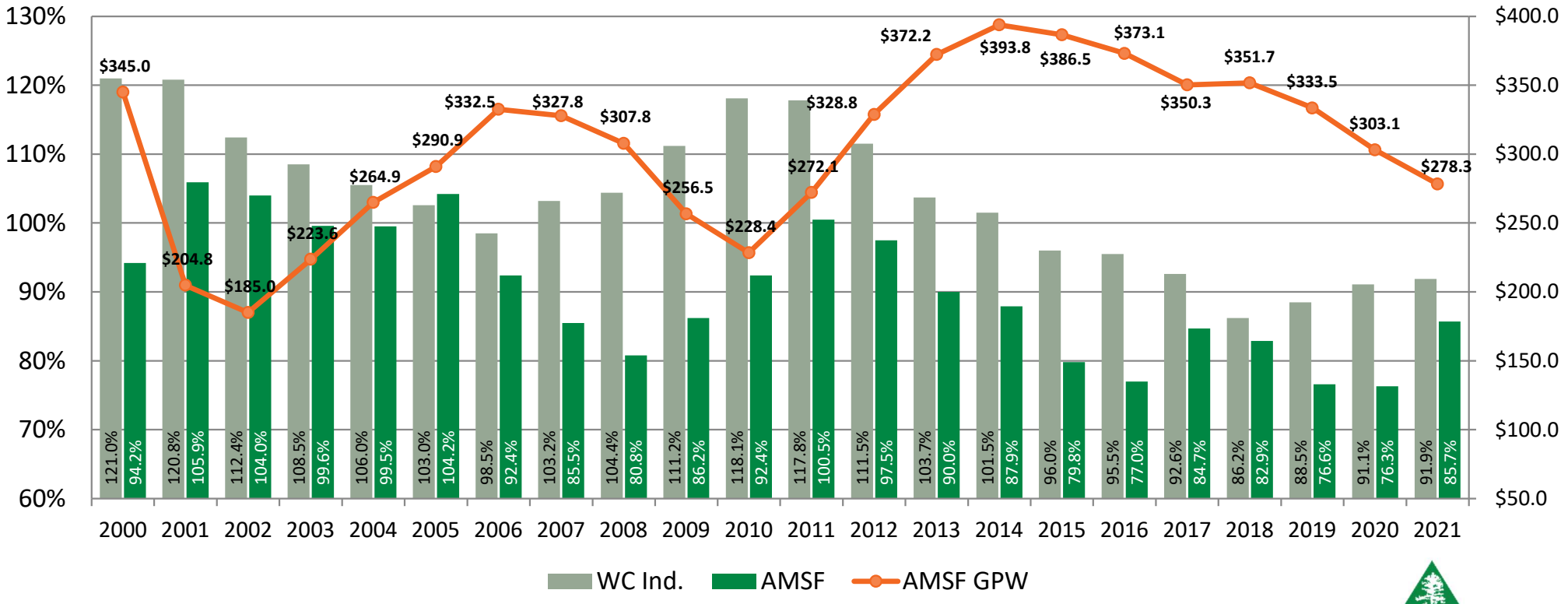
As of September 30, 2022
* CAGR for 2005 – 2022YTD

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CURRENT WORKERS' COMPENSATION MARKET CONDITIONS

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WC INDUSTRY COMBINED RATIO

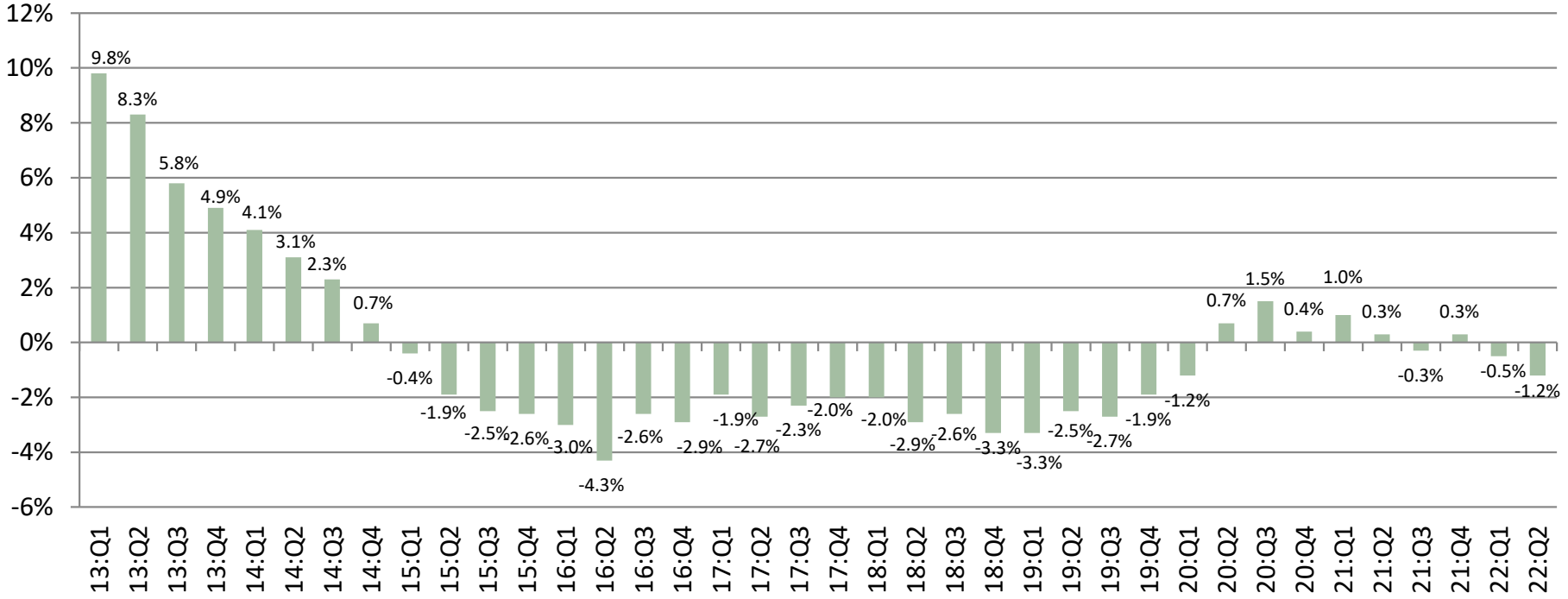


- AMSF Average Outperformance 13.6 pts., Since 2000
- AMSF Average Outperformance 12.0 pts., in last 10 years

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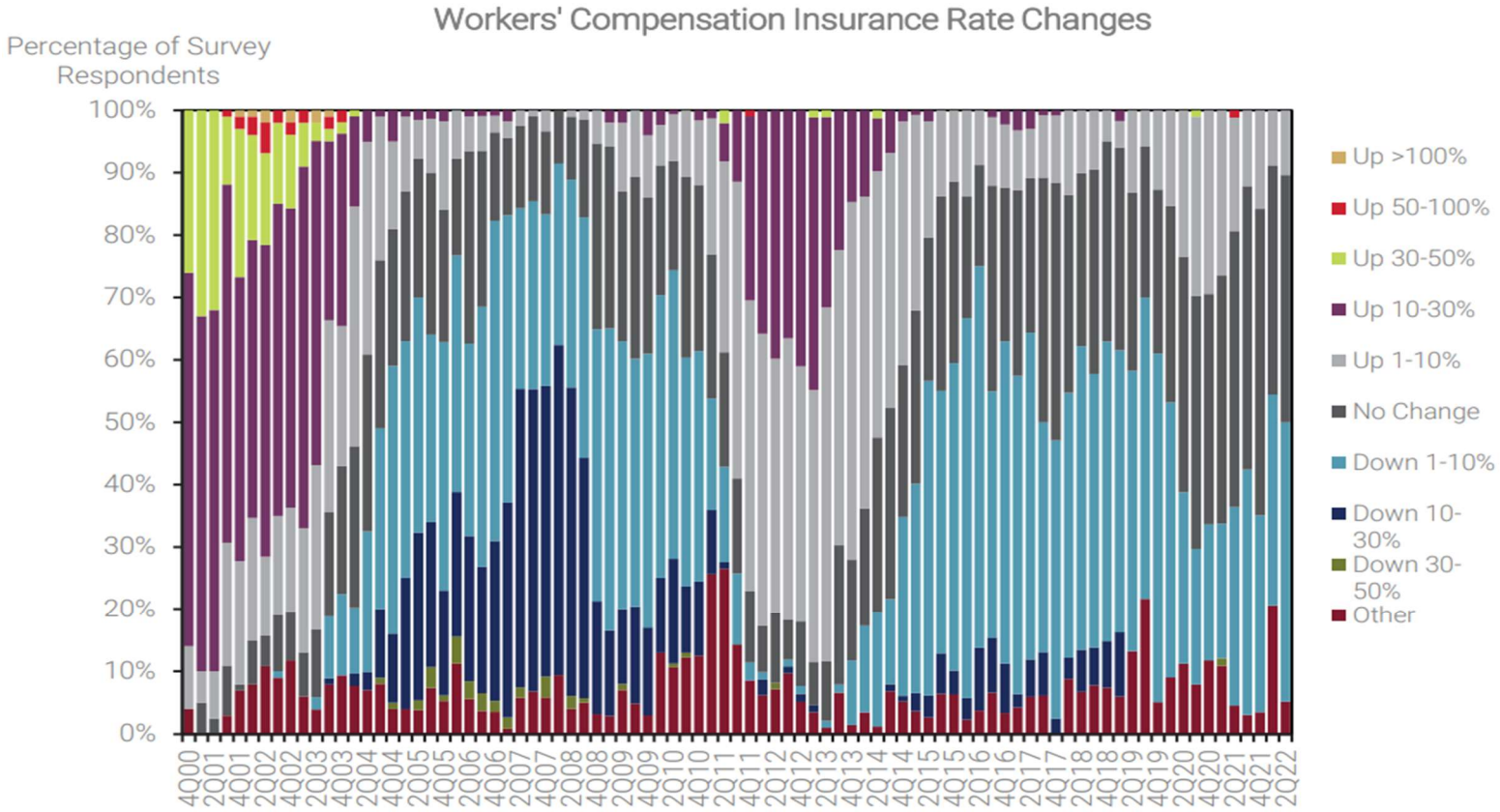
WORKERS' COMP RATE CHANGES

2013: Q1 – 2022: Q2



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WC INSURANCE RATE CHANGES

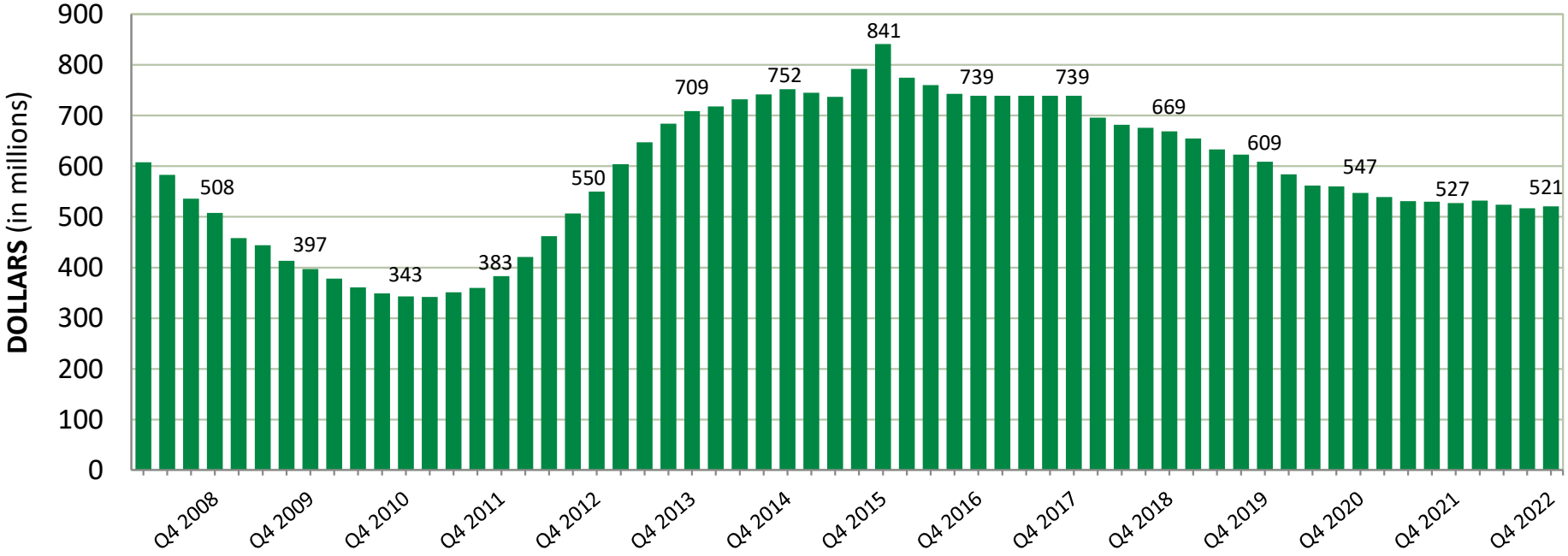


Source: The Council of Insurance Agents & Brokers.

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RESIDUAL MARKET ACTIVITY

ALL POOLS – NET WRITTEN PREMIUM*
ALL POLICY YEARS COMBINED



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APPENDIX

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SUSTAINABILITY

- **Responsibility to Shareholders and other Stakeholders:**
  - Our long-term success depends upon our relationships with all stakeholders: customers, agents, employees, injured workers, investors, regulators, and the communities in which we operate.
  - For more on our sustainability efforts please see: www.amerisafe.com/sustainability/

Rated "A" (Excellent) by A.M. Best

Ward's Top 50 in P&C (2009-2022)

Sandler Premium Player (2014-2020)

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LEADERSHIP

Board of Directors



Jared A. Morris
Chairman



Michael J. Brown
Director



Teri G. Fontenot
Director



G. Janelle Frost
Chief Executive Officer
& President



Philip A. Garcia
Director



Billy B. Greer
Director



Millard E. Morris
Director



Randall E. Roach
Director



Sean M. Traynor
Director

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Executives



G. Janelle Frost
Chief Executive Officer
& President



Andy Omiridis
Executive Vice President
& Chief Financial Officer



Vincent J. Gagliano
Executive Vice President
& Chief Risk Officer



Andrew B. McCray
Executive Vice President &
Chief Underwriting Officer



Kathryn H. Shirley
Executive Vice President,
Chief Administrative Officer
& Secretary

Senior Leaders



Mary Ellen Hamel
SVP, Sales



Nancy E. Hunt
SVP, Underwriting
Operations



Henry O. Lestage IV
SVP, Claims
Operations



Garrett S. Little
SVP, Safety
Operations



Barbra E. McCrary
SVP, Policyholder
Services



Angela W. Pearson
SVP & Controller

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SELECTED BALANCE SHEET DATA

(IN THOUSANDS)

	9/30/22	2021	2020	2019	2018	2017
Investments, Cash and cash equivalents	$1,025,755	$1,083,293	$1,150,501	$1,168,831	$1,165,834	$1,185,873
Amounts recoverable from reinsurers	117,968	120,561	105,803	95,913	112,006	90,133
Premiums receivable, net	137,012	135,100	156,760	157,953	162,478	174,234
Deferred income taxes	26,227	14,384	13,665	17,513	21,852	19,262
Deferred policy acquisition costs	18,275	17,059	17,810	19,048	19,734	20,251
Other assets	34,259	32,327	26,316	33,648	34,027	28,483
Total Assets	1,359,496	1,402,724	1,470,855	1,492,906	1,515,931	1,518,236
Reserves for loss and loss adjustment expenses	716,196	745,278	760,561	772,887	798,409	771,845
Unearned premiums	128,093	121,092	129,260	140,873	149,296	157,270
Insurance-related assessments	18,751	16,850	17,995	22,967	28,258	28,246
Other liabilities	123,437	120,181	124,223	125,964	130,206	135,452
Shareholders' equity	373,019	399,323	438,816	430,215	409,762	425,423
METRICS						
Book Value Per Share (BVPS)	$19.47	$20.62	$22.70	$22.29	$21.26	$22.10
BVPS + Total Capital Returned Per Share*	$54.13	$54.35	$51.43	$46.44	$40.91	$37.37

*Regular Dividends, Special Dividends, and Treasury Stock

INCOME STATEMENT

(IN THOUSANDS)

	2022 YTD	2021	2020	2019	2018	2017
Revenues:						
Gross premiums written	$220,463	$278,294	$303,090	$333,460	$351,696	$350,267
Ceded premiums written	(7,837)	(10,469)	(10,276)	(8,995)	(9,344)	(8,869)
Net premiums written	$212,626	$267,825	$292,814	$324,465	$342,352	$341,398
Net premiums earned	$205,625	$275,993	$304,427	$332,888	$350,326	$346,156
Net investment income	19,581	25,435	29,364	32,483	30,452	29,281
Net realized gains (losses) on investments	2,402	1,695	1,132	(80)	(1,536)	(647)
Net unrealized gains (losses) on equity securities	(12,984)	12,315	4,204	4,758	(2,088)	—
Fee and other income	352	496	350	321	599	420
Total revenues	214,976	315,934	339,477	370,370	377,753	375,208
Expenses:						
Loss and loss adjustment expenses incurred	115,792	160,798	157,226	176,342	204,891	209,324
Underwriting and other operating costs	54,611	72,051	71,906	74,351	81,133	78,776
Policyholder dividends and other	2,577	3,636	3,426	4,160	4,148	4,868
Total expenses	172,980	236,485	232,558	254,853	290,172	292,968
Income before taxes	41,996	79,449	106,919	115,517	87,581	82,240
Income tax expense	7,172	13,693	20,317	22,827	15,949	36,009
Net income	$34,824	$65,756	$86,602	$92,690	$71,632	$46,231

As of September 30, 2022


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