



simple solutions for complex times®

2017 SECOND QUARTER EARNINGS CONFERENCE CALL

FINANCIAL HIGHLIGHTS – 2Q2017 & YTD 2017

	<u>2Q2017</u>	<u>2Q2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Net Income per Diluted Share	\$ 0.12	\$ 0.12	\$ 0.89	\$ 1.00
Net Realized Investment Gains per Share	\$ 0.07	\$ 0.04	\$ 0.17	\$ 0.09
Operating Income Per Share	\$ 0.05	\$ 0.08	\$ 0.72	\$ 0.91
Catastrophe Losses per Share	\$ 0.72	\$ 0.90	\$ 0.96	\$ 1.01
GAAP Combined Ratio	107.2%	104.8%	102.0%	98.7%
Book Value per Share			\$38.46	\$37.85
Return on Equity			4.8%	5.6%



P&C SEGMENT HIGHLIGHTS

■ 2Q 2017 Results

- \$260M in net premiums earned in 2Q 2017– an increase of 2.4% over 2Q 2016
- Catastrophe losses added 11.6 percentage points to the combined ratio; in-line with our historical 10-year average of 11.3 percentage points for second quarters
- Core loss ratio deterioration –
 - Driven primarily due to an increase in frequency and severity of losses in our commercial auto line of business

■ 2017 Strategies

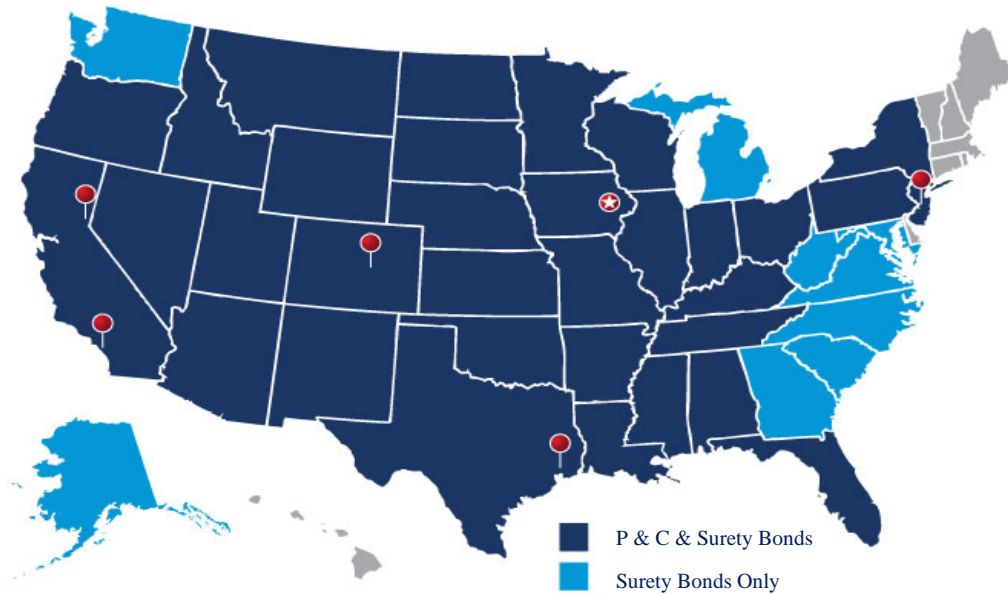
- Improved profitability in our commercial auto, commercial property and personal auto lines
 - Rate increases
 - Implementation of loss control initiatives
 - Increased use of analytics

ECONOMY / P&C MARKET CONDITIONS

- **Softening market cycle** – increasing competition across all regions
- **Commercial lines renewal rate increases** – overall nearly flat
- **Commercial lines filed rate increases** –
 - Commercial fire and allied and commercial auto filed rate increases continue to be in the mid to upper single digits
 - BOP and workers' compensation saw rate decreases
- **Personal lines renewal and filed rate increases** – mid single digit increases in personal auto and homeowners lines

P & C SEGMENT GEOGRAPHIC FOOTPRINT

P&C & Surety Bonds

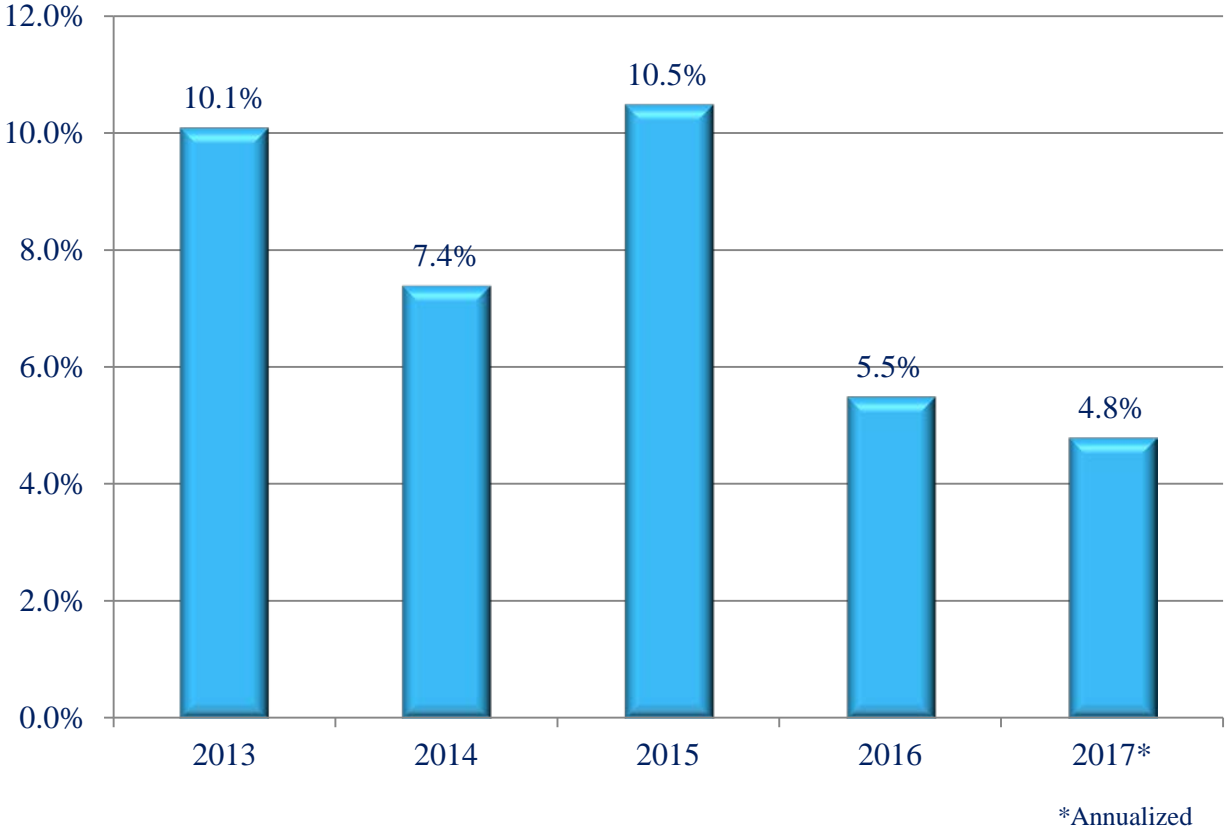


Regional Underwriting Offices in Cedar Rapids, Iowa (corporate headquarters); Denver, Colorado; Houston, Texas; Pennington, New Jersey; Rocklin, California and Los Angeles, California.

Currently licensed and actively writing P & C and Surety Bonds in the 33 states shaded dark blue. The 9 states shaded light blue plus the District of Columbia are currently licensed and able to write Surety Bonds only.



CONSOLIDATED GAAP ROE



2Q 2017 P&C GROSS PREMIUM GROWTH & RETENTION

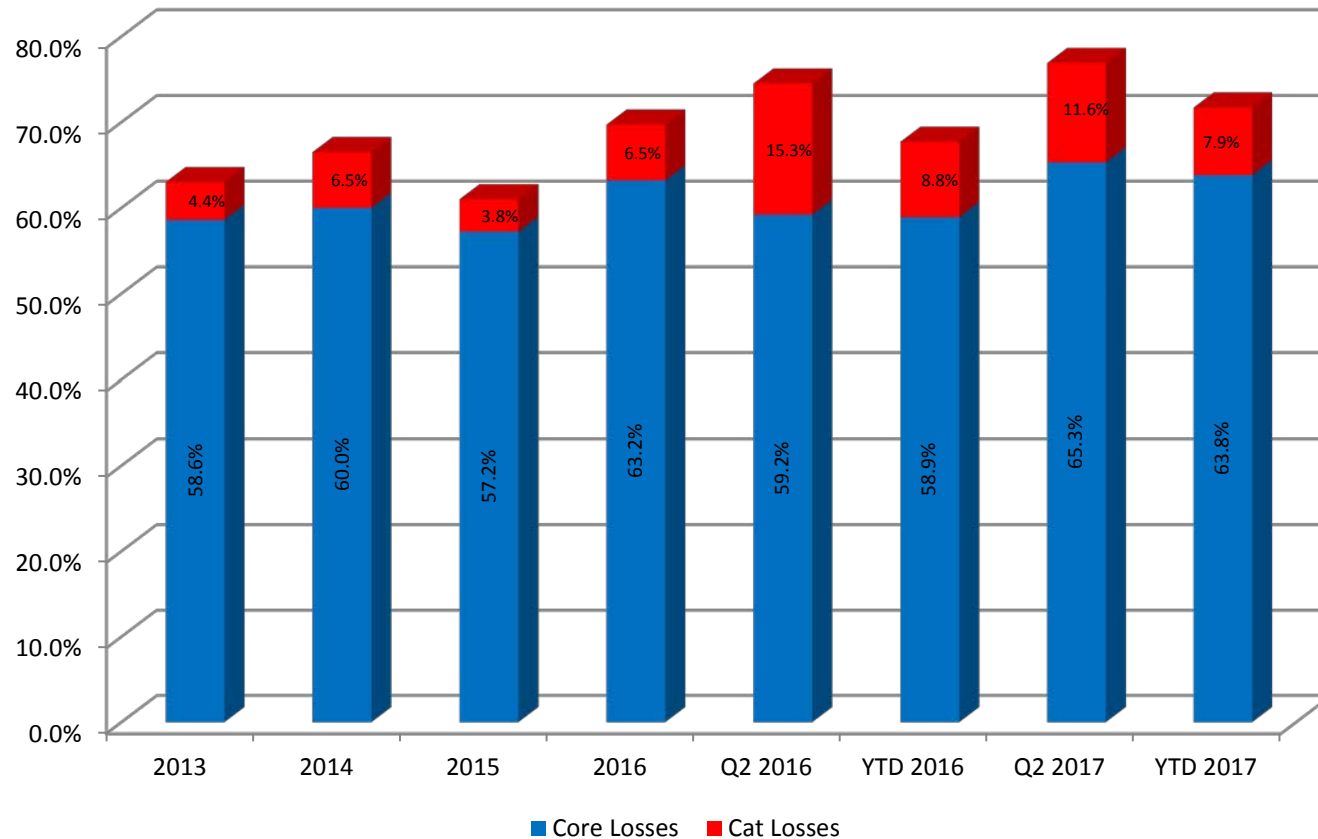
■ P&C Gross written premium growth

‣ Commercial lines	6.6%
‣ Personal lines	1.1%
‣ Group (all lines)	6.2%

■ Retention

‣ Premium retention	83.9%
‣ Policy retention	81.3%

CORE LOSS RATIO vs. CATASTROPHE LOSSES



Cat losses in 2Q 2017 added 11.6 percentage points to the loss ratio.

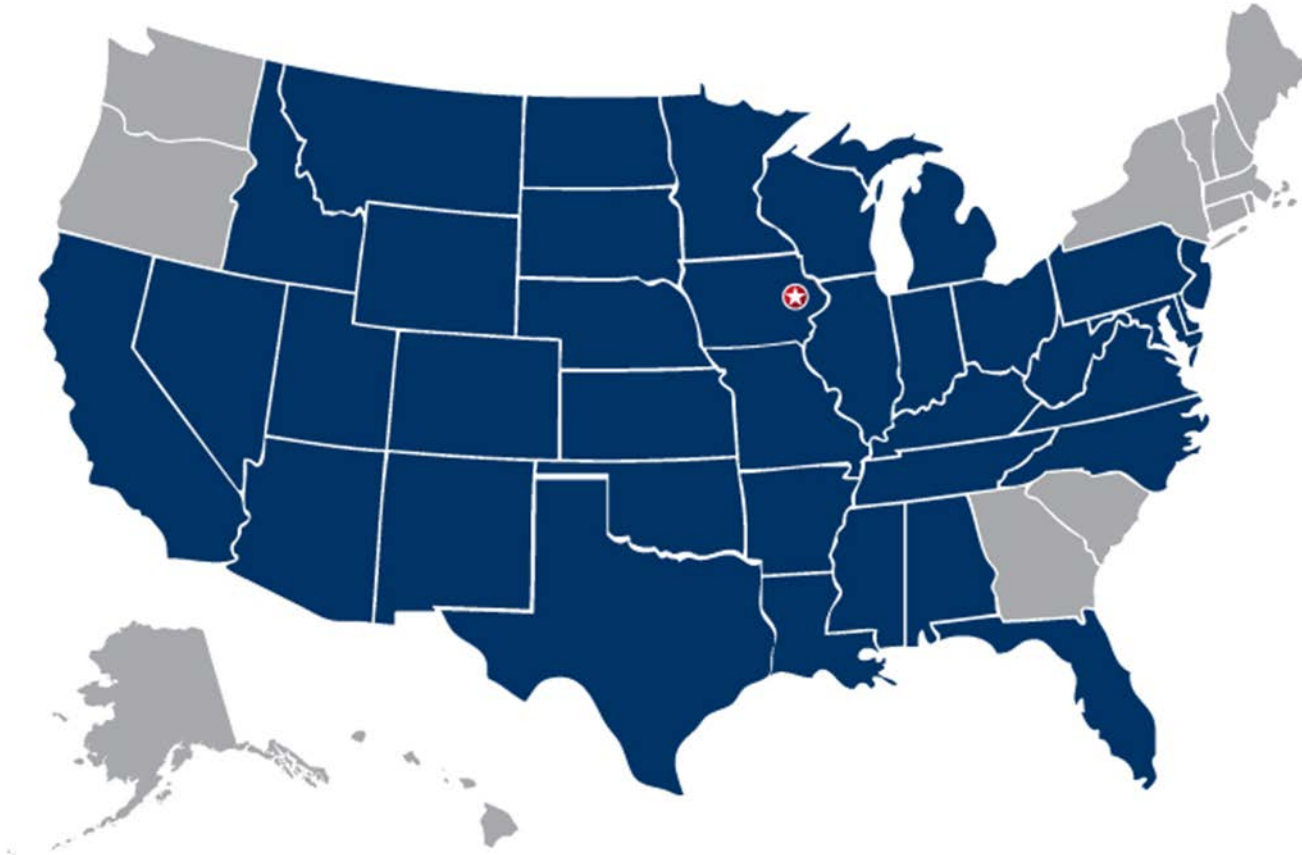
ADJUSTED COMBINED RATIO

	2017	2016	2017	2016
Adjusted Combined Ratio	2Q2017	2Q2016	YTD	YTD
P&C Loss Ratio (as reported)	76.9%	74.5%	71.7%	67.7%
Impact of Catastrophes	-11.6%	-15.3%	-7.9%	-8.8%
Loss Ratio Ex-Catastrophes	65.3%	59.2%	63.8%	58.9%
Impact of Reserve Development	6.6%	1.1%	8.6%	5.8%
Loss Ratio Ex - CAT and Ex-Development	71.9%	60.3%	72.4%	64.7%
P&C Expense Ratio	30.3%	30.3%	30.3%	31.0%
<i>Adjusted Combined Ratio</i>	102.2%	90.6%	102.7%	95.7%

LIFE SEGMENT

- **Life Segment Initiatives**
 - Improve profitability in 2017
 - › Repricing traditional life products (Completed early 2017)
 - › Restructure commission schedule (Completed early 2017)
 - › Reviewing product mix and researching new products (Ongoing)
 - › Increased profitability on annuity products (Ongoing)
 - › Expense reduction (Ongoing)
- Strong capitalization according to A.M. Best
- Lapse ratio of 4.5
- Net premiums earned decreased by 32.4% in 2Q 2017 compared to 2Q 2016 mainly due to a decline in sales of single premium whole life policies

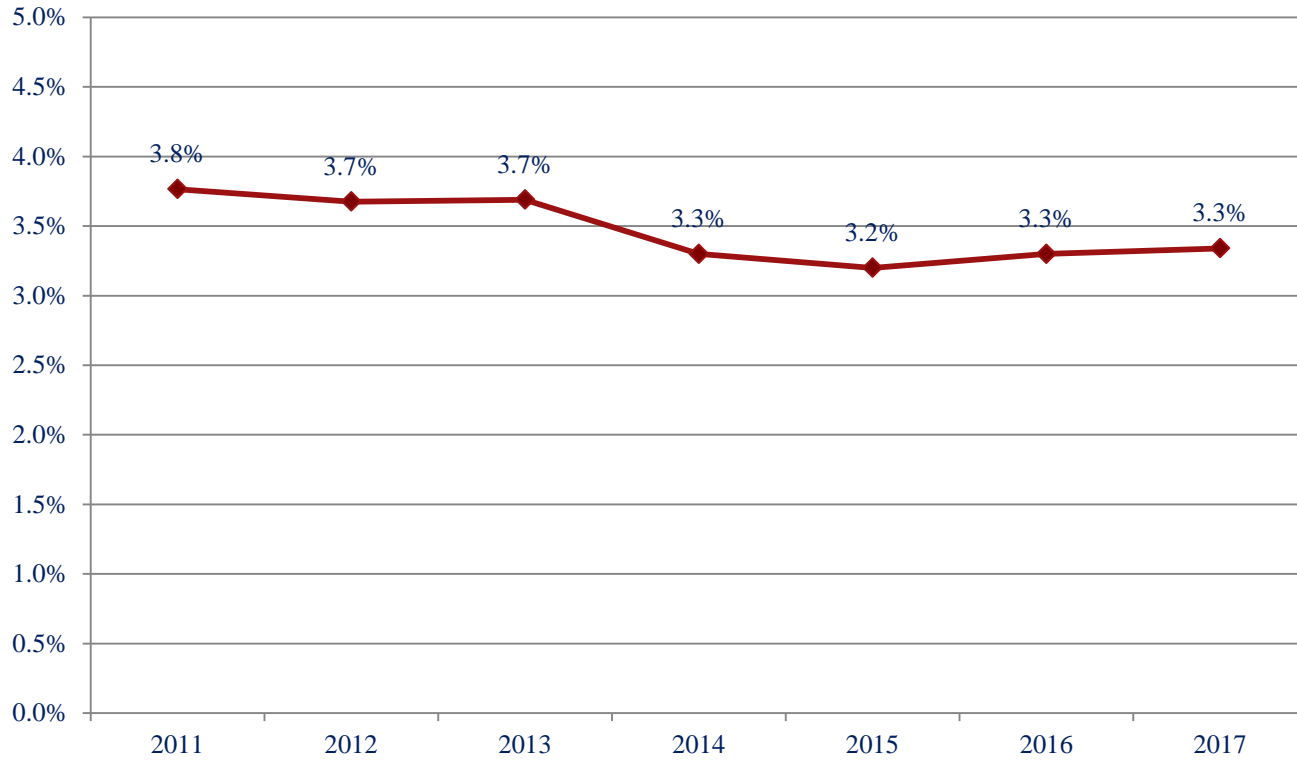
LIFE SEGMENT GEOGRAPHIC FOOTPRINT



Currently licensed for Life & Annuity business in 37 states throughout the country which are shaded dark blue. United Life Insurance Company operates out of our Corporate Headquarters in Cedar Rapids, IA.



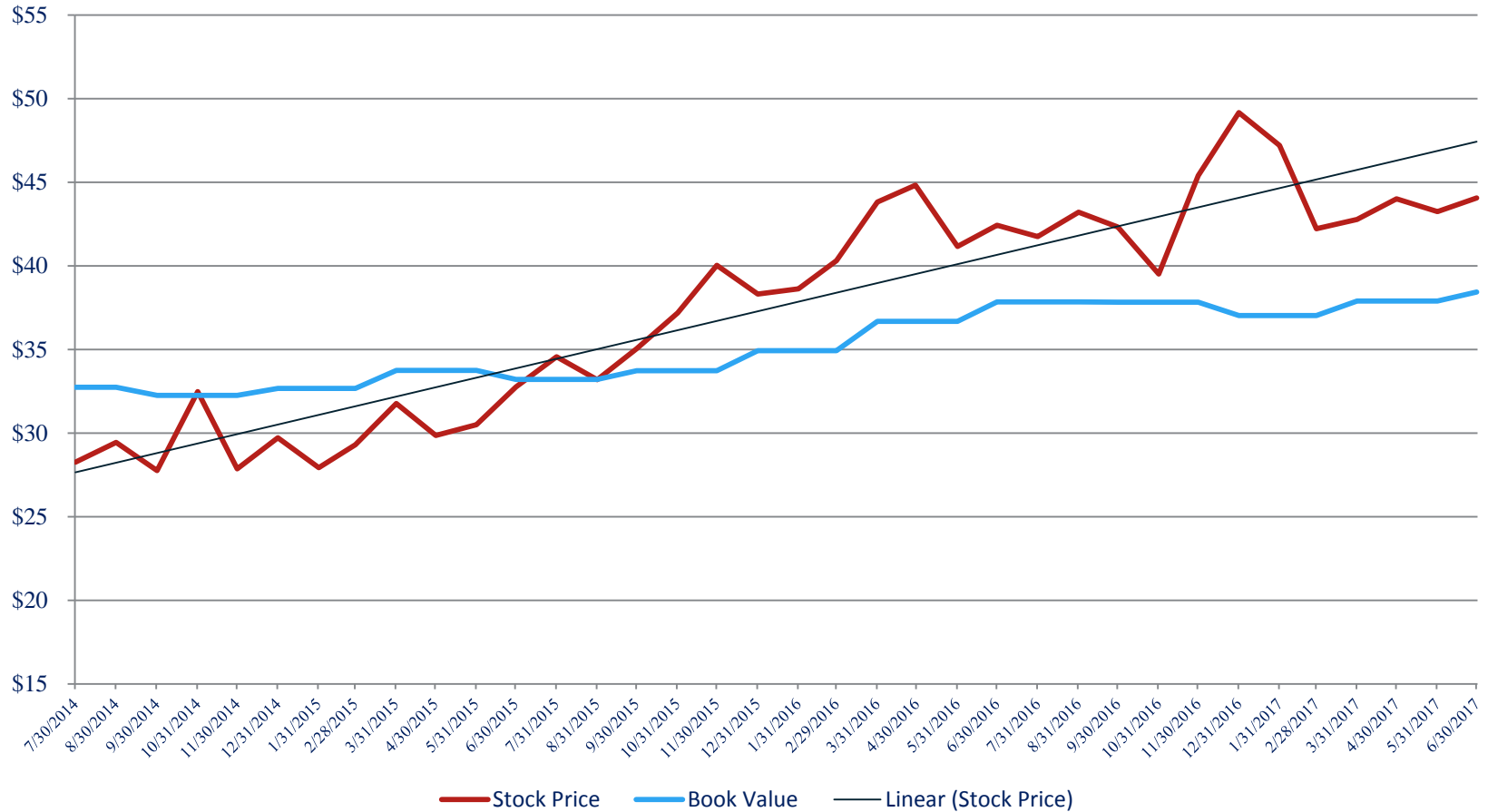
CONSOLIDATED INCOME YIELD



NOTE: Total Invested Assets excludes Cash and Cash Equivalents



UFCS STOCK PRICE 7/31/2014-6/30/2017



52 Week High: \$50.75 --- 52 Week Low: \$37.54



RECOGNITION

- United Fire & Casualty Group rated A (Excellent) by A.M. Best Company
- Named a Super Regional Property/Casualty Insurer™ every year since 2006 by *Insurance Journal* magazine
- Placed on *Forbes*' 2017 list of “America’s 50 Most Trustworthy Financial Companies”
- Placed on July 2016 *Best’s Review* list of Top 200 U.S. Property/Casualty Underwriters
- Recipient of the 2015 Iowa Better Business Bureau’s Integrity Award
- Placed on Iowa’s list of Top 150 Workplaces for 2016 by the *Des Moines Register*
- Named a Five-Star Carrier by *Insurance Business America* for 2017 & 2016
- Named one of Sandler O’Neill’s 2016 Insurance Premium Players

