



# Third Quarter 2025 Investor Presentation

October 30, 2025



**Kevin G. Burke**

*President and Chief Executive Officer*

**Jeffrey D. Miller**

*Executive Vice President and Chief Financial Officer*

We base all statements contained in this release that are not historic facts on our current expectations. Such statements are forward-looking in nature (as defined in the Private Securities Litigation Reform Act of 1995) and necessarily involve risks and uncertainties. Forward-looking statements we make may be identified by our use of words such as "will," "expect," "intend," "plan," "anticipate," "believe," "seek," "estimate" and similar expressions. Our actual results could vary materially from our forward-looking statements. The factors that could cause our actual results to vary materially from the forward-looking statements we have previously made include, but are not limited to, adverse litigation and other trends that could increase our loss costs (including social inflation, labor shortages and escalating medical, automobile and property repair costs, including due to tariffs), adverse and catastrophic weather events (including from changing climate conditions), our ability to maintain profitable operations (including our ability to underwrite risks effectively and charge adequate premium rates), the adequacy of the loss and loss expense reserves of our insurance subsidiaries, the availability and successful operation of the information technology systems our insurance subsidiaries utilize, the successful development of new information technology systems to allow our insurance subsidiaries to compete effectively, business and economic conditions in the areas in which we and our insurance subsidiaries operate, interest rates, competition from various insurance and other financial businesses, terrorism, the availability and cost of reinsurance, legal and judicial developments, changes in regulatory requirements, our ability to attract and retain independent insurance agents, changes in our A.M. Best rating and the other risks that we describe from time to time in our filings with the Securities and Exchange Commission. We disclaim any obligation to update such statements or to announce publicly the results of any revisions that we may make to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Reconciliations of non-GAAP data are included in the financial supplement section of this presentation.

**Donegal Group Inc. is an insurance holding company whose insurance subsidiaries and affiliates offer commercial and personal lines of property and casualty insurance to businesses and individuals in certain Mid-Atlantic, Midwestern, Southern and Southwestern states through approximately 2,100 independent insurance agencies.**

**The Company offers full lines of commercial products (approx. 58% of 2024 NPW) and personal products (approx. 42% of 2024 NPW), including commercial multi-peril, automobile, homeowners, workers' compensation and other coverages.**

# Strategies to Provide Value to Stakeholders



**Achieving sustained excellent financial performance**

Maintaining underwriting discipline and premium rate adequacy

Utilizing data analytics and predictive modeling tools to inform risk selection and pricing decisions

**Strategically modernizing our operations and processes to transform our business**

Implementing new systems to streamline business processes and workflows and enhance data analytics

Expanding focus on process excellence to identify opportunities for operational efficiencies

**Capitalizing on opportunities to grow profitably**

Continuing expansion within existing markets through independent agents

State-specific strategies for growth or reduction of premiums, agency distribution and enhanced profit

**Providing superior experiences to our agents, policyholders and employees**

Ensuring "ease of doing business" through automated agency portals and interfaces

Responsive claims service, underwriting and customer support

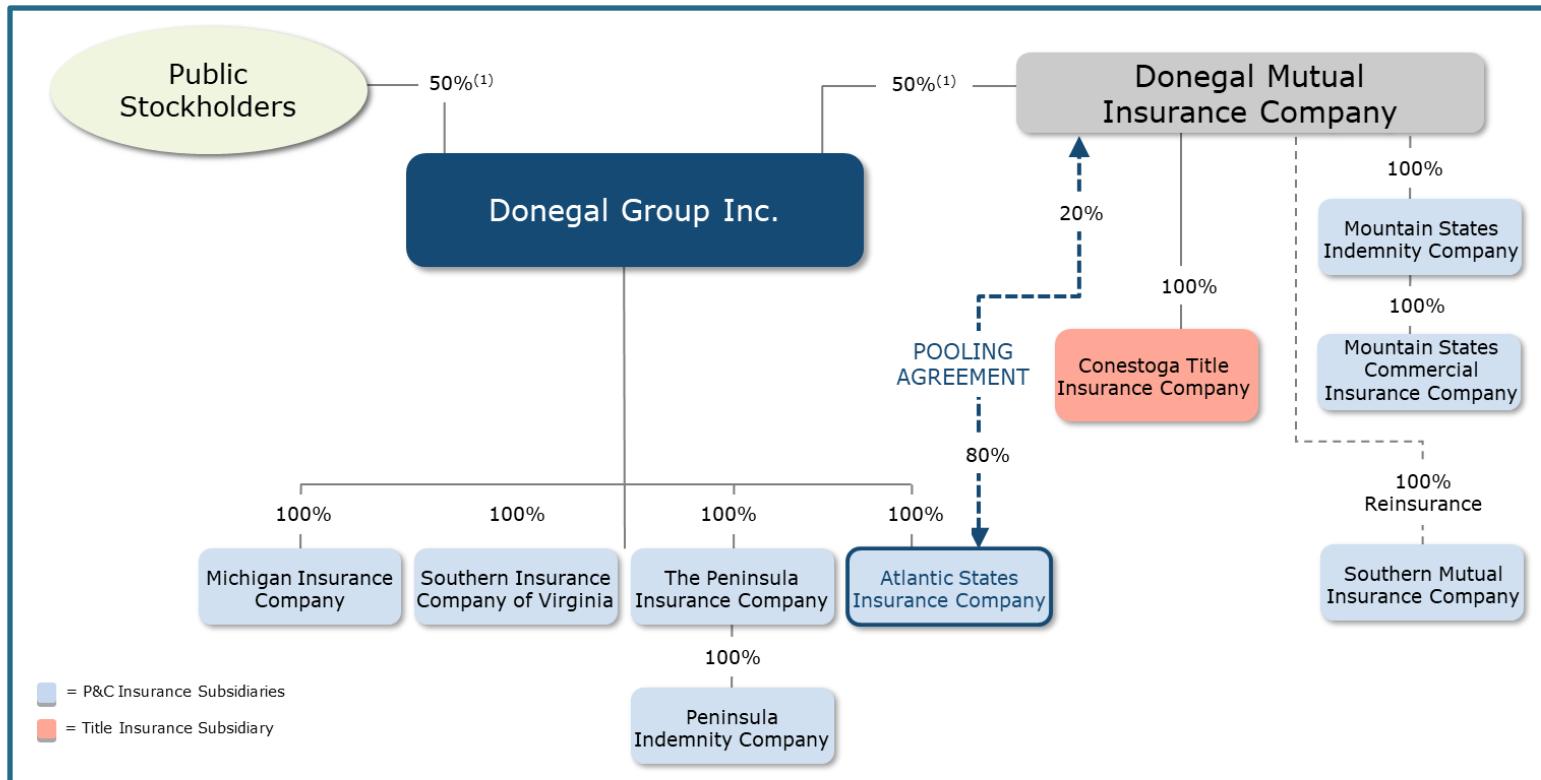
***Continued emphasis on growing commercial lines while maintaining a profitable book of personal lines***

# Significant Benefits to Shareholders from Mutual Relationship

- Pooling agreement fosters an **environment of continuity** and maintains **superior employee relations** in which the business can grow.
- Shared combined business plan to **enhance market penetration** and **underwriting profitability**.
- Product offerings are **complementary**, offering a **broad range of products** that expands our ability to service accounts.



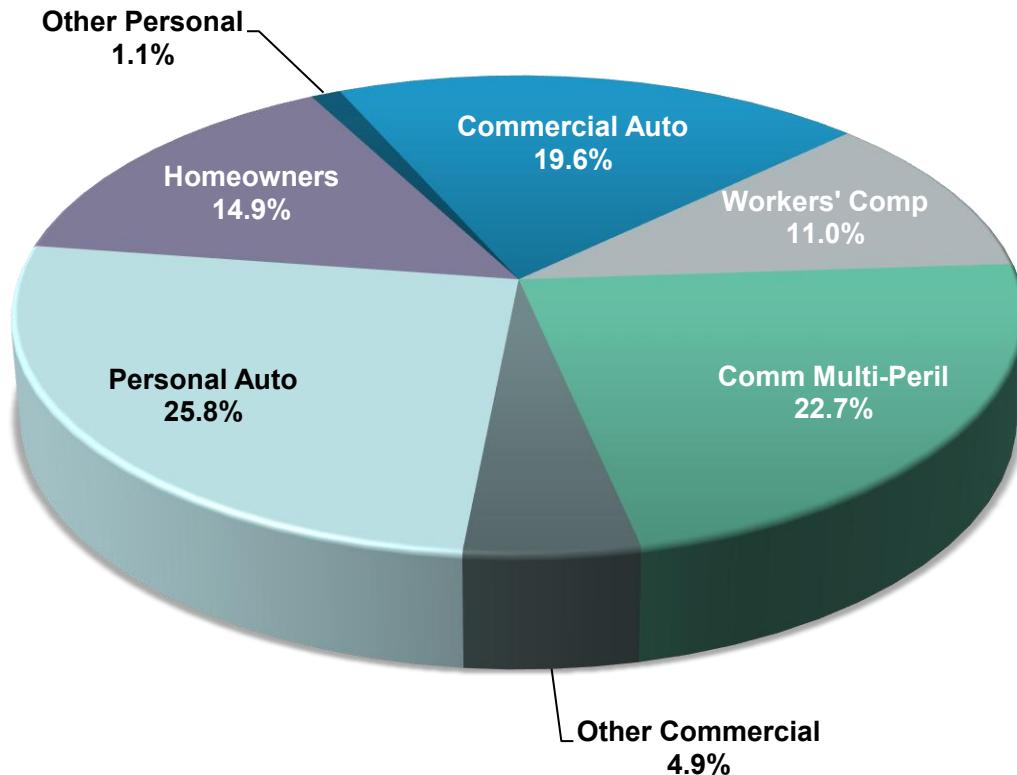
Rated A (Excellent)  
by A.M. Best



<sup>1</sup>Because of the different relative voting power of Class A common stock and Class B common stock, public stockholders hold approximately 30% of the aggregate voting power of the combined classes and Donegal Mutual holds approximately 70% of the aggregate voting power of the combined classes.

## Net Premiums Written by Line of Business

Year Ended December 31, 2024



### Commercial Lines

Commercial Auto  
Commercial Multi-Peril  
Workers' Comp  
Other Commercial

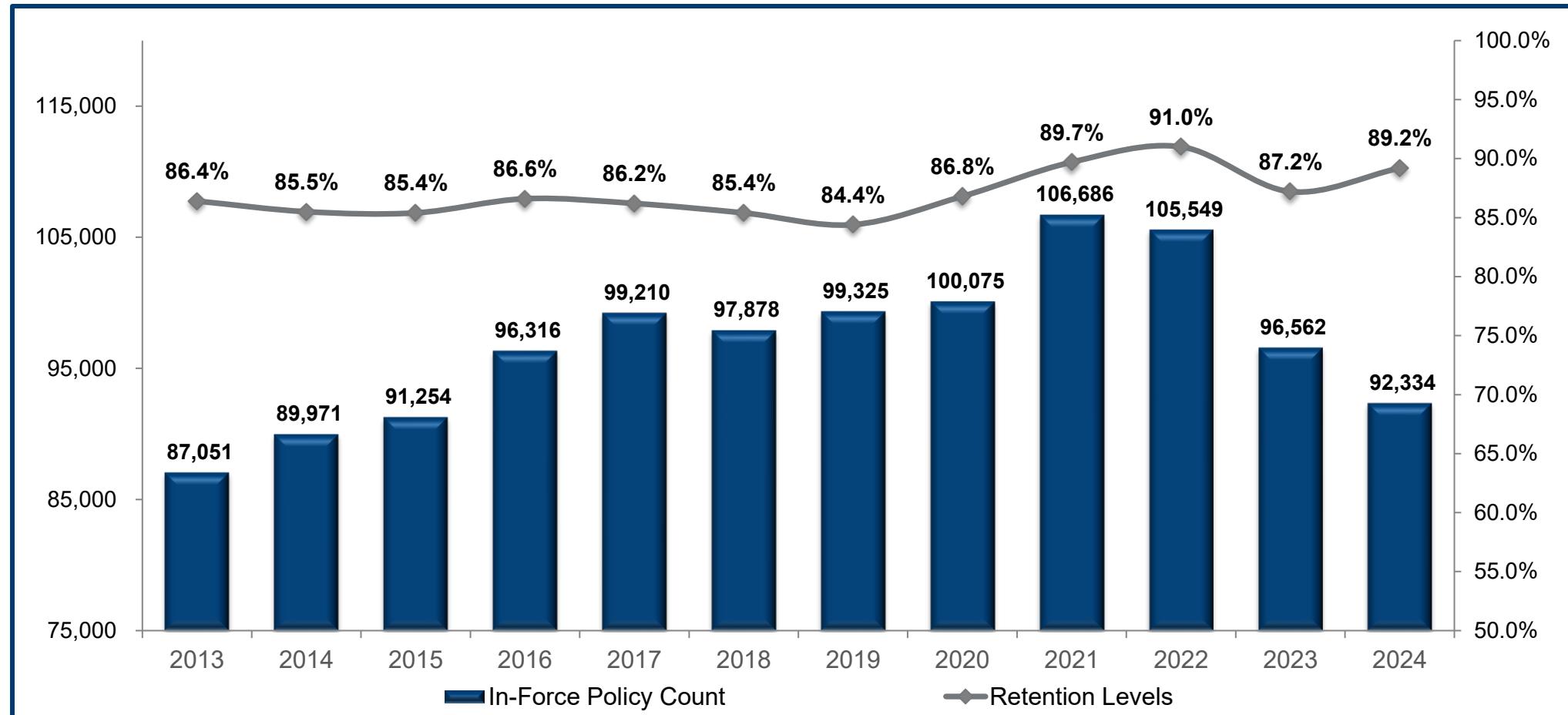
**58% of NPW**

### Personal Lines

Personal Automobile  
Homeowners  
Other Personal

**42% of NPW**

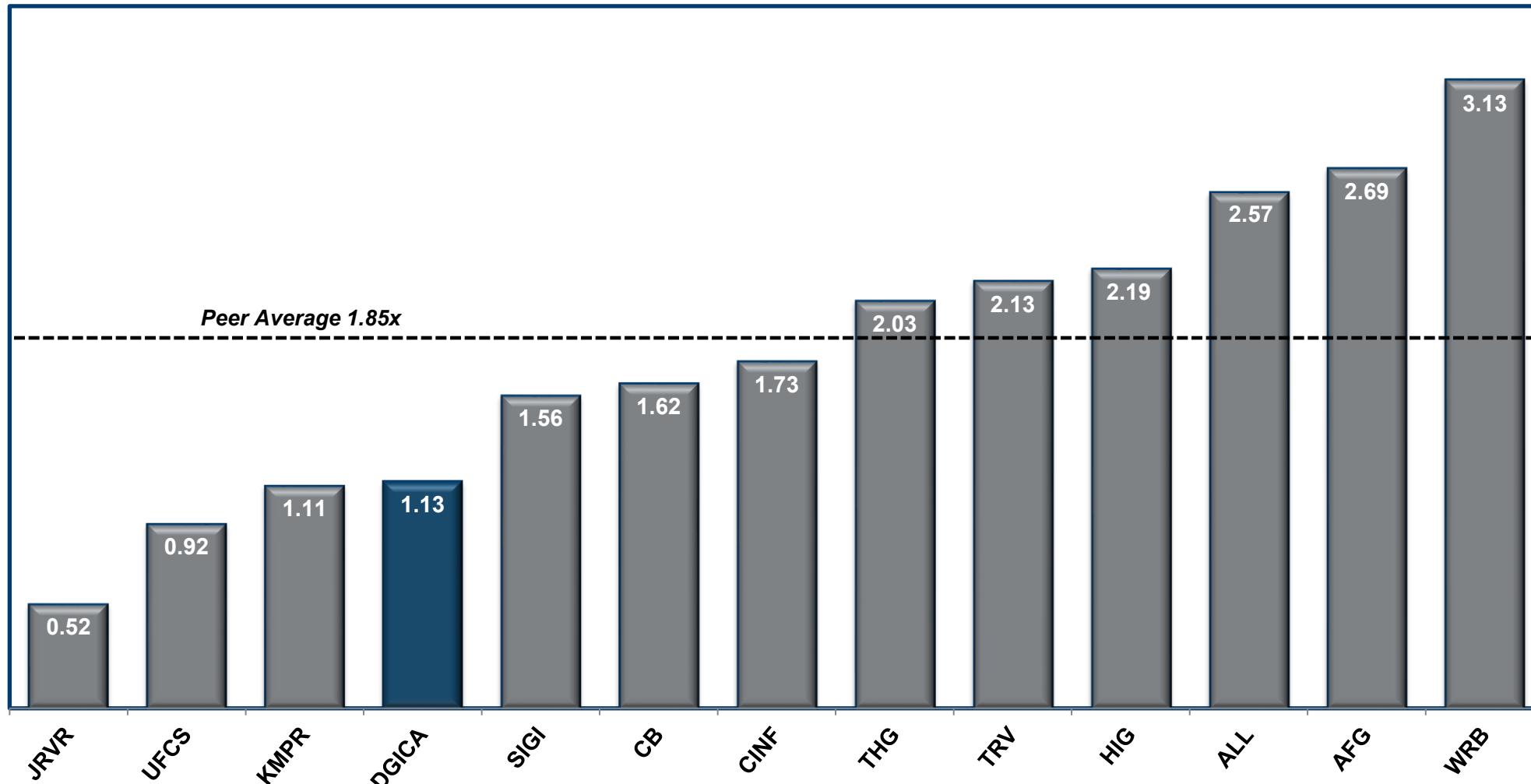
# Continued Emphasis on Growth in Commercial Lines



## Strategic Initiatives to Increase Long-Term Profitability

- *Strategic non-renewal actions in Georgia and Alabama completed in 2024.*
- *Intentional underwriting actions to non-renew underperforming individual accounts/classes of business.*
- *Conservatively underwriting new business premium.*

## Price-to-Book Multiple



DGICA: Price and Book Value as of 9/30/2025.

Peer Data Source: FactSet; Price as of 9/30/2025 and Book Value as of latest reported quarter as of 10/24/2025.

## Modest Decline in Premiums

### Net Premiums Earned

**\$229.8M**

**(3.4)%**

vs. Q3'24

## Excellent Underwriting Results

### Loss Ratio

**62.1%**

**(0.6) pts**

vs. Q3'24

### Expense Ratio

**33.5%**

**1.0 pts**

vs. Q3'24

## High-Quality Investment Portfolio

### Net Investment Income

**\$13.9M**

**28.8%**

vs. Q3'24

### Avg. Investment Yield

**3.6%**

**30 bps**

vs. Q3'24

Percentage change is reflective of Better/(Worse)

***Lower new business volume and planned attrition were offset partially by strong retention and renewal premium increases.***

# Financial Results – Third Quarter 2025



(dollars in thousands, except per share data)	Q3'25	Q3'24	Change
<b>Net Premiums Written</b>	\$219,615	\$232,208	(5.4)%
<b>Net Premiums Earned</b>	\$229,822	\$237,957	(3.4)%
<b>Loss Ratio</b>	<b>62.1%</b>	<b>61.5%</b>	<b>(0.6) pts</b>
Core	51.1%	50.1%	(1.0) pts
Weather	6.2%	10.3%	4.1 pts
Large Fire Losses	4.4%	3.7%	(0.7) pts
Prior Accident Year Development Adverse/(Favorable)	0.4%	(2.6)%	(3.0) pts
<b>Expense Ratio</b>	<b>33.5%</b>	<b>34.5%</b>	<b>1.0 pts</b>
<b>Dividend Ratio</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.1 pts</b>
<b>Combined Ratio</b>	<b>95.9%</b>	<b>96.4%</b>	<b>0.5 pts</b>
<b>Net Investment Income</b>	\$13,943	\$10,827	28.8%
<b>Net Income</b>	\$20,080	\$16,752	19.9%
<b>Per Share – Class A (Diluted)</b>	\$0.55	\$0.51	7.8%
<b>Book Value Per Share</b>	\$17.14	\$15.22	12.6%

# Third Quarter 2025 - Results by Line of Business

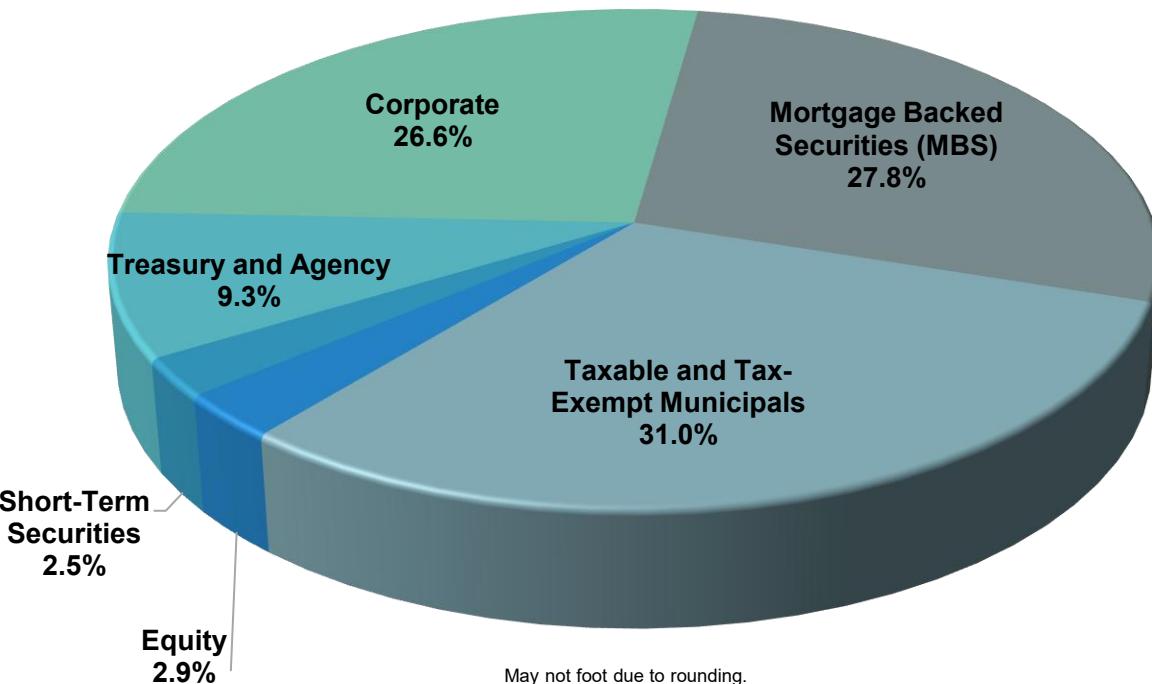


- Net premiums written decreased 5.4% (Commercial Lines +3.4%; Personal Lines -15.9%), primarily attributable to lower new business writings and planned attrition, offset partially by solid retention and renewal premium increases.
- Commercial lines renewal premium increases averaged 11.0%, excluding workers' compensation.
- Personal lines renewal premium increases averaged 3.2%, with strong retention of 88.7% (excluding the impact of the run-off legacy book of business in Maryland).

(\$ in millions)	Net Premiums Written			Statutory Combined Ratio		
	Q3'25	Q3'24	Change Better/(Worse)	Q3'25	Q3'24	Change Better/(Worse)
<b>Commercial Lines – Total</b>	<b>\$130.4</b>	<b>\$126.1</b>	<b>3.4%</b>	<b>96.6%</b>	<b>89.8%</b>	<b>(6.8) pts</b>
<i>Automobile</i>	\$45.6	\$41.5	10.0%	100.9%	101.5%	0.6 pts
<i>Workers' Compensation</i>	\$21.0	\$23.9	(12.2)%	103.9%	84.7%	(19.2) pts
<i>Commercial Multi-peril</i>	\$51.8	\$50.2	3.3%	91.6%	88.4%	(3.2) pts
<i>Other</i>	\$12.0	\$10.5	13.3%	87.5%	59.4%	(28.1) pts
<b>Personal Lines - Total</b>	<b>\$89.2</b>	<b>\$106.1</b>	<b>(15.9)%</b>	<b>94.1%</b>	<b>104.7%</b>	<b>10.6 pts</b>
<i>Automobile</i>	\$53.9	\$65.2	(17.3)%	91.2%	97.8%	6.6 pts
<i>Homeowners</i>	\$32.9	\$38.3	(14.1)%	102.1%	116.8%	14.7 pts
<i>Other</i>	\$2.5	\$2.7	(8.1)%	52.8%	102.2%	49.4 pts
<b>Total Lines</b>	<b>\$219.6</b>	<b>\$232.2</b>	<b>(5.4)%</b>	<b>95.5%</b>	<b>96.0%</b>	<b>0.5 pts</b>

## \$1.5 Billion in Invested Assets

As of September 30, 2025



- Quarterly net investment income increased 28.8% to \$13.9 million.
- Investment portfolio emphasizes on high-quality fixed-income securities.
- “Laddering” structure provides additional measure of liquidity.
- Q3 2025 reinvestment rate of ~5.25% exceeded rate received on maturing assets by ~128 basis points.

- Well-established regional insurance group with a **diverse book of business** including both commercial and personal lines
- Continuing the optimization of our mix of business with **emphasis on commercial lines** while **strategically stabilizing personal lines** to maintain a **profitable book of business** that will **increase stockholder value** over time
- Focusing on achieving sustained excellent **financial performance**, strategically modernizing our operations and processes to **transform our business**, capitalizing on opportunities to **grow profitably** and providing **superior experiences to our agents, policyholders and employees**
- Maintaining our highly responsive service levels as a key underlying force that contributes to solid growth in our **commercial lines of business**

# Contact Information



## Investor Relations Contact

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# Definitions of Non-GAAP Financial Measures



We prepare our consolidated financial statements on the basis of GAAP. Our insurance subsidiaries also prepare financial statements based on statutory accounting principles state insurance regulators prescribe or permit ("SAP"). In addition to using GAAP-based performance measurements, we also utilize certain non-GAAP financial measures that we believe provide value in managing our business and for comparison to the financial results of our peers. These non-GAAP measures are net premiums written, operating income or loss and statutory combined ratio.

Net premiums written and operating income or loss are non-GAAP financial measures investors in insurance companies commonly use. We define net premiums written as the amount of full-term premiums our insurance subsidiaries record for policies effective within a given period less premiums our insurance subsidiaries cede to reinsurers. We define operating income or loss as net income or loss excluding after-tax net investment gains or losses, after-tax restructuring charges and other significant non-recurring items. Because our calculation of operating income or loss may differ from similar measures other companies use, investors should exercise caution when comparing our measure of operating income or loss to the measure of other companies.

# Supplemental Information: Reconciliations



## ***Reconciliation of net premiums earned to net premiums written:***

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(dollars in thousands)						
<b>Reconciliation of Net Premiums Earned to Net Premiums Written</b>						
Net premiums earned	\$ 229,822	\$ 237,957	-3.4%	\$ 694,299	\$ 700,017	-0.8%
Change in net unearned premiums	(10,207)	(5,749)	77.5	6,222	30,822	-79.8
Net premiums written	<u>\$ 219,615</u>	<u>\$ 232,208</u>	<u>-5.4%</u>	<u>\$ 700,521</u>	<u>\$ 730,839</u>	<u>-4.1%</u>

## ***Reconciliation of net income to non-GAAP operating income:***

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(dollars in thousands, except per share amounts)						
<b>Reconciliation of Net Income to Non-GAAP Operating Income</b>						
Net income	\$ 20,080	\$ 16,752	19.9%	\$ 62,152	\$ 26,860	131.4%
Investment gains (after tax)	(1,005)	(1,482)	-32.2	(1,853)	(3,733)	-50.4
Non-GAAP operating income	<u>\$ 19,075</u>	<u>\$ 15,270</u>	<u>24.9%</u>	<u>\$ 60,299</u>	<u>\$ 23,127</u>	<u>160.7%</u>
<b>Per Share Reconciliation of Net Income to Non-GAAP Operating Income</b>						
Net income – Class A (diluted)	\$ 0.55	\$ 0.51	7.8%	\$ 1.72	\$ 0.81	112.3%
Investment gains (after tax)	(0.03)	(0.05)	-40.0	(0.05)	(0.11)	-54.5
Non-GAAP operating income – Class A	<u>\$ 0.52</u>	<u>\$ 0.46</u>	<u>13.0%</u>	<u>\$ 1.67</u>	<u>\$ 0.70</u>	<u>138.6%</u>
Net income – Class B	\$ 0.51	\$ 0.46	10.9%	\$ 1.58	\$ 0.74	113.5%
Investment gains (after tax)	(0.03)	(0.04)	-25.0	(0.05)	(0.11)	-54.5
Non-GAAP operating income – Class B	<u>\$ 0.48</u>	<u>\$ 0.42</u>	<u>14.3%</u>	<u>\$ 1.53</u>	<u>\$ 0.63</u>	<u>142.9%</u>

# Supplemental Information: GAAP Loss Ratio Components



	Commercial Lines					Personal Lines			
	Automobile	Workers' Compensation	Commercial Multi-peril	Other	Total	Automobile	Homeowners	Other	Total
<b><u>Third Quarter 2025</u></b>									
Loss ratio - core losses	62.3%	67.5%	44.3%	38.7%	54.0%	58.0%	29.9%	17.9%	46.6%
Loss ratio - weather-related losses	2.0%	0.0%	6.6%	1.5%	3.4%	1.6%	25.3%	14.2%	10.6%
Loss ratio - large fire losses	1.2%	0.0%	5.5%	1.3%	2.7%	0.1%	18.8%	0.0%	7.0%
Loss ratio - net prior-year reserve development	0.7%	-3.5%	-3.0%	11.0%	-0.5%	3.7%	-0.6%	-4.4%	1.8%
Loss ratio	66.2%	64.0%	53.4%	52.5%	59.6%	63.4%	73.4%	27.7%	66.0%
<b><u>Third Quarter 2024</u></b>									
Loss ratio - core losses	60.3%	50.3%	40.0%	36.4%	48.5%	67.3%	26.6%	50.8%	52.5%
Loss ratio - weather-related losses	1.6%	0.0%	10.0%	2.9%	4.6%	1.9%	45.2%	23.6%	17.8%
Loss ratio - large fire losses	0.6%	0.0%	7.4%	0.0%	3.1%	0.0%	12.8%	0.0%	4.6%
Loss ratio - net prior-year reserve development	3.5%	-3.4%	-7.7%	-19.5%	-4.1%	-1.3%	0.4%	-1.1%	-0.7%
Loss ratio	66.0%	46.9%	49.7%	19.8%	52.1%	67.9%	85.0%	73.3%	74.2%

# Supplemental Information: GAAP Loss Ratio Components



	Commercial Lines					Personal Lines			
	Workers' Automobile	Commercial Compensation	Commercial Multi-peril	Other	Total	Automobile	Homeowners	Other	Total
<b><u>First Nine Months 2025</u></b>									
Loss ratio - core losses	63.9%	71.0%	43.4%	46.7%	55.6%	56.7%	29.6%	34.3%	46.2%
Loss ratio - weather-related losses	1.3%	0.0%	8.0%	2.9%	3.8%	1.8%	28.4%	10.7%	11.7%
Loss ratio - large fire losses	1.1%	0.0%	8.6%	2.3%	3.9%	0.0%	13.2%	0.0%	4.8%
Loss ratio - net prior-year reserve development	-3.2%	0.3%	-4.0%	10.4%	-1.6%	-1.6%	-1.7%	-14.7%	-2.0%
Loss ratio	63.1%	71.3%	56.0%	62.3%	61.7%	56.9%	69.5%	30.3%	60.7%
<b><u>First Nine Months 2024</u></b>									
Loss ratio - core losses	64.5%	59.9%	45.4%	37.3%	54.1%	68.5%	30.8%	73.8%	55.2%
Loss ratio - weather-related losses	1.5%	0.0%	10.1%	11.1%	5.3%	1.6%	32.9%	11.4%	13.0%
Loss ratio - large fire losses	0.4%	0.0%	13.9%	3.6%	5.7%	0.0%	12.4%	0.0%	4.4%
Loss ratio - net prior-year reserve development	-3.0%	8.3%	-5.9%	-10.8%	-2.5%	-1.7%	-0.8%	-16.2%	-1.8%
Loss ratio	63.4%	68.2%	63.5%	41.2%	62.6%	68.4%	75.3%	69.0%	70.8%