UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______ to _______

Commission file number 001-37973

NI HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

NORTH DAKOTA	**81-2683619**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1101 First Avenue North **Fargo, North Dakota**	**58102**
(Address of principal executive offices)	**(Zip Code)**

(701) 298-4200
Registrant's telephone number, including area code

Not applicable
Former name, former address, and former fiscal year, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	NODK	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes No☒

The number of shares of Registrant’s common stock outstanding on April 30, 2025 was 20,698,574. No preferred shares are issued or outstanding.

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CERTAIN IMPORTANT INFORMATION

Unless the context otherwise requires, as used in this Quarterly Report on Form 10-Q ("Form 10-Q"):

- "NI Holdings," "the Company," "we," "us," and "our" refer to NI Holdings, Inc., together with Nodak Insurance Company and its subsidiaries, Direct Auto Insurance Company, and Westminster American Insurance Company (sold on June 30, 2024), for periods discussed after completion of the conversion, and for periods discussed prior to completion of the conversion refer to Nodak Mutual Insurance Company and all of its subsidiaries and Battle Creek Mutual Insurance Company;

- the "Nodak conversion" refers to the series of transactions consummated on March 13, 2017, by which Nodak Mutual Insurance Company converted from a mutual insurance company to a stock insurance company, as Nodak Insurance Company, and became a wholly-owned subsidiary of NI Holdings, an intermediate stock holding company formed on the date of conversion;

- "Nodak Mutual Group" refers to Nodak Mutual Group, Inc., which is the majority shareholder of NI Holdings;

- "Nodak Mutual" refers to Nodak Mutual Insurance Company, the predecessor company to Nodak Insurance Company prior to the conversion;

- "Nodak Insurance" refers to Nodak Insurance Company or Nodak Mutual Insurance Company interchangeably;

- "members" refers to the policyholders of Nodak Insurance, who are the named insureds under insurance policies issued by Nodak Insurance;

- "Battle Creek" refers to Battle Creek Mutual Insurance Company or Battle Creek Insurance Company interchangeably. Battle Creek Mutual Insurance Company became affiliated with Nodak Insurance in 2011 and, prior to January 2, 2024, was controlled by Nodak Insurance via a surplus note. The terms of the surplus note allowed Nodak Insurance to appoint two-thirds of the Battle Creek Mutual Insurance Company Board of Directors. As of January 2, 2024, the North Dakota Secretary of State approved the conversion of Battle Creek Mutual Insurance Company from a mutual insurance company to a stock insurance company. In accordance with the approved plan of conversion, the name of Battle Creek Mutual Insurance Company became Battle Creek Insurance Company, the surplus note was considered paid in full as of the conversion date, and Battle Creek became a wholly-owned subsidiary of Nodak Insurance;

- "Direct Auto" refers to Direct Auto Insurance Company. Direct Auto is a wholly-owned subsidiary of NI Holdings;

- "American West" refers to American West Insurance Company. American West is a wholly-owned subsidiary of Nodak Insurance;

- "Primero" refers to Primero Insurance Company. Primero is an indirect, wholly-owned subsidiary of Nodak Insurance;

- "Westminster" refers to Westminster American Insurance Company. Westminster was a wholly-owned subsidiary of NI Holdings until it was sold to Scott Insurance Holdings, LLC ("Scott Insurance Holdings") on June 30, 2024; and

- "Nodak Agency" refers to Nodak Agency, Inc. Nodak Agency is a wholly-owned subsidiary of Nodak Insurance.

FORWARD-LOOKING STATEMENTS

This report contains, and management may make, certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “views,” “estimates,” and similar expressions are used to identify these forward-looking statements. These statements include, among other things, the Company’s statements about:

- our anticipated operating and financial performance, business plans, and prospects;
- strategic reviews, capital allocation objectives, dividends, and share repurchases;
- plans for and prospects of acquisitions, dispositions, and other business development activities, and our ability to successfully capitalize on these opportunities;
- the impact of a future pandemic and related economic conditions, including the potential impact on the Company's investments;
- our ability to enter new markets successfully and capitalize on growth opportunities either through acquisitions or the expansion of our distribution network;
- cyclical changes in the insurance industry, competition, and innovation and emerging technologies;
- expectations for impact of, or changes to, existing or new government regulations or laws;
- our ability to anticipate and respond to macroeconomic, geopolitical, health and industry trends, pandemics, acts of war, and other large-scale crises;
- developments in general economic conditions (including the impact of tariffs), domestic and global financial markets, interest rates, unemployment, or inflation, that could affect the performance of our insurance operations and/or investment portfolio; and
- our ability to effectively manage future growth, including additional necessary capital, systems, and personnel.

Given their nature, we cannot assure that any outcome expressed in these or other forward-looking statements will be realized in whole or in part. Actual outcomes may vary materially from past results and those anticipated, estimated, implied, or projected. These forward-looking statements may be affected by underlying assumptions that may prove inaccurate or incomplete, or by known or unknown risks and uncertainties, including those described in Part II, Item 1A, “Risk Factors” of this Quarterly Report on Form 10-Q (“Form 10-Q”) and in the Part I, Item 1A, “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2024 (“2024 Annual Report”). The occurrence of any of the risks identified in the Part I, Item 1A, “Risk Factors” section of the 2024 Annual Report, or other risks currently unknown, could have a material adverse effect on our business, financial condition or results of operations, or we may be required to increase our accruals for contingencies. It is not possible to predict or identify all such factors. Consequently, you should not consider such discussion to be a complete discussion of all potential risks or uncertainties.

Therefore, you are cautioned not to unduly rely on forward-looking statements, which speak only as of the date of this Form 10-Q. We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. You are advised, however, to consult any further disclosures we make on related subjects.

PART I. - FINANCIAL INFORMATION

Item 1. - Financial Statements

NI Holdings, Inc.
Consolidated Balance Sheets
(dollar amounts in thousands, except par value)

	March 31, 2025	December 31, 2024
	(Unaudited)	
Assets:		
Cash and cash equivalents	$ 57,202	$ 50,930
Fixed income securities, at fair value (net of allowance for expected credit losses of $0 at March 31, 2025 and December 31, 2024)	314,303	307,712
Equity securities, at fair value	25,584	24,640
Other investments	1,812	1,812
Total cash and investments	398,901	385,094
Premiums and agents' balances receivable (net of allowance for expected credit losses of $232 at March 31, 2025, and $337 at December 31, 2024)	49,220	52,907
Deferred policy acquisition costs	23,813	26,300
Reinsurance premiums receivable	—	746
Reinsurance recoverables on losses (net of allowance for expected credit losses of $0 at March 31, 2025 and December 31, 2024)	8,646	12,561
Income tax recoverable	5,045	7,017
Accrued investment income	2,331	2,629
Property and equipment, net	7,394	7,547
Deferred income taxes	7,255	7,324
Receivable from Federal Crop Insurance Corporation	11,474	13,223
Goodwill and other intangibles	100	100
Other assets	11,185	11,097
Total assets	$ 525,364	$ 526,545
Liabilities:		
Unpaid losses and loss adjustment expenses	$ 135,886	$ 137,288
Unearned premiums	122,063	126,498
Reinsurance premiums payable	232	—
Accrued expenses and other liabilities	13,183	18,128
Total liabilities	271,364	281,914
Shareholders' equity:		
Common stock, $0.01 par value, authorized: 25,000,000 shares; issued: 23,000,000 shares; and outstanding: 2025 – 20,698,574 shares, 2024 – 20,673,268 shares	230	230
Additional paid-in capital	95,783	95,796
Unearned employee stock ownership plan shares	(455)	(455)
Retained earnings	207,997	201,584
Accumulated other comprehensive loss, net of income taxes	(15,671)	(18,231)
Treasury stock, at cost, 2025 – 2,255,946 shares, 2024 – 2,281,252 shares	(33,884)	(34,293)
Total shareholders' equity	254,000	244,631
Total liabilities and shareholders' equity	$ 525,364	$ 526,545

The accompanying notes are an integral part of these consolidated financial statements.

NI Holdings, Inc.
Consolidated Statements of Operations (Unaudited)
(dollar amounts in thousands, except per share data)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenues:		
Net premiums earned	$ 67,497	$ 69,884
Fee and other income	230	404
Net investment income	2,838	2,755
Net investment gains	869	1,456
Total revenues	71,434	74,499
Expenses:		
Losses and loss adjustment expenses	38,525	40,144
Amortization of deferred policy acquisition costs	16,528	16,817
Other underwriting and general expenses	8,632	8,705
Total expenses	63,685	65,666
Income from continuing operations before income taxes	7,749	8,833
Income tax expense	1,289	1,898
Net income from continuing operations	6,460	6,935
Loss from discontinued operations, net of income taxes	—	(516)
Net income	$ 6,460	$ 6,419
Earnings per common share from continuing operations:		
Basic	$ 0.31	$ 0.33
Diluted	$ 0.31	$ 0.33
Earnings per common share:		
Basic	$ 0.31	$ 0.31
Diluted	$ 0.31	$ 0.30
Share data:		
Weighted average common shares outstanding used in basic per common share calculations	21,014,923	20,932,774
Dilutive securities	81,207	113,305
Weighted average common shares used in diluted per common share calculations	21,096,130	21,046,079

The accompanying notes are an integral part of these consolidated financial statements.

NI Holdings, Inc.
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
(dollar amounts in thousands)

	Three Months Ended March 31	
	2025	**2024**
Net income	$ 6,460	$ 6,419
Other comprehensive income (loss), before income taxes:		
Holding gains (losses) on investments	3,313	(1,817)
Reclassification adjustment for net realized losses included in net income	—	10
Other comprehensive income (loss), before income taxes	3,313	(1,807)
Income tax benefit (expense) related to items of other comprehensive income (loss)	(753)	407
Other comprehensive income (loss), net of income taxes	2,560	(1,400)
Comprehensive income	$ 9,020	$ 5,019

The accompanying notes are an integral part of these consolidated financial statements.

NI Holdings, Inc.
Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
(dollar amounts in thousands)

	Three Months Ended March 31, 2025							
	Common Stock	Additional Paid-in Capital	Unearned Employee Stock Ownership Plan Shares	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Income Taxes	Treasury Stock	Non-Controlling Interest	Total Shareholders' Equity
Balance, January 1, 2025	$ 230	$ 95,796	$ (455)	$ 201,584	$ (18,231)	$ (34,293)	$ —	$ 244,631
Battle Creek demutualization	—	—	—	—	—	—	—	—
Net income	—	—	—	6,460	—	—	—	6,460
Other comprehensive income (loss), net of income taxes	—	—	—	—	2,560	—	—	2,560
Share-based compensation	—	480	—	—	—	—	—	480
Issuance of vested award shares	—	(493)	—	(47)	—	409	—	(131)
Balance, March 31, 2025	$ 230	$ 95,783	$ (455)	$ 207,997	$ (15,671)	$ (33,884)	$ —	$ 254,000

	Three Months Ended March 31, 2024							
	Common Stock	Additional Paid-in Capital	Unearned Employee Stock Ownership Plan Shares	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Income Taxes	Treasury Stock	Non-Controlling Interest	Total Shareholders' Equity
Balance, January 1, 2024	$ 230	$ 96,294	$ (698)	$ 208,376	$ (21,384)	$ (35,177)	$ 2,758	$ 250,399
Battle Creek demutualization	—	—	—	3,832	(1,074)	—	(2,758)	—
Net income	—	—	—	6,419	—	—	—	6,419
Other comprehensive income (loss), net of income taxes	—	—	—	—	(1,400)	—	—	(1,400)
Share-based compensation	—	581	—	—	—	—	—	581
Issuance of vested award shares	—	(555)	—	(176)	—	578	—	(153)
Balance, March 31, 2024	$ 230	$ 96,320	$ (698)	$ 218,451	$ (23,858)	$ (34,599)	$ —	$ 255,846

The accompanying notes are an integral part of these consolidated financial statements.

NI Holdings, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(dollar amounts in thousands)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from operating activities:		
Net income	$ 6,460	$ 6,419
Less net loss from discontinued operations, net of income taxes	—	(516)
Adjustments to reconcile net income to net cash flows from operating activities:		
Net investment gains	(869)	(1,456)
Deferred income tax expense (benefit)	(683)	423
Depreciation of property and equipment	173	154
Share-based compensation	480	581
Amortization of deferred policy acquisition costs	16,528	16,817
Deferral of policy acquisition costs	(14,041)	(18,975)
Net amortization of premiums and discounts on investments	85	179
Changes in operating assets and liabilities:		
Premiums and agents' balances receivable	3,687	(3,824)
Reinsurance premiums receivable / payable	978	(947)
Reinsurance recoverables on losses	3,915	114
Income tax recoverable / payable	1,972	2,528
Accrued investment income	298	(76)
Federal Crop Insurance Corporation receivable / payable	1,749	3,491
Other assets	(88)	(133)
Unpaid losses and loss adjustment expenses	(1,402)	1,346
Unearned premiums	(4,435)	7,628
Accrued expenses and other liabilities	(4,919)	(921)
Net cash flows from operating activities – continuing operations	3,428	6,929
Net cash flows from operating activities – discontinued operations	—	2,799
Total adjustments	3,428	9,728
Net cash flows from operating activities	9,888	16,663
Cash flows from investing activities:		
Proceeds from maturities and sales of fixed income securities	4,221	6,374
Proceeds from sales of equity securities	2,293	2,514
Purchases of fixed income securities	(7,586)	(11,393)
Purchases of equity securities	(2,367)	(2,573)
Purchases of property and equipment	(20)	(52)
Net cash flows from investing activities – continuing operations	(3,459)	(5,130)
Net cash flows from investing activities – discontinued operations	—	987
Net cash flows from investing activities	(3,459)	(4,143)
Cash flows from financing activities:		
Pooling (payments) receipts	—	(4,962)
Principal repayments of finance leases	(26)	(25)
Issuance of vested award shares	(131)	(153)
Net cash flows from financing activities – continuing operations	(157)	(5,140)
Net cash flows from financing activities – discontinued operations	—	4,962
Net cash flows from financing activities	(157)	(178)
Net change in cash and cash equivalents	6,272	12,342
(Increase) decrease in cash and cash equivalents – discontinued operations	—	(8,748)
Net increase (decrease) in cash and cash equivalents – continuing operations	6,272	3,594
Cash and cash equivalents at beginning of period – continuing operations	50,930	41,037
Cash and cash equivalents at end of period – continuing operations	$ 57,202	$ 44,631
Federal and state income taxes paid (net of refunds received)	$ —	$ (887)

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Unaudited Consolidated Financial Statements

1. Organization

NI Holdings is a North Dakota business corporation that is the stock holding company of Nodak Insurance and became such in connection with the Nodak conversion, whereby Nodak Mutual converted from a mutual to stock form of organization and the creation of a mutual holding company. The Nodak conversion was consummated on March 13, 2017. Immediately following the Nodak conversion, all of the outstanding shares of common stock of Nodak Insurance were issued to Nodak Mutual Group, which then contributed the shares to NI Holdings in exchange for 55% of the outstanding shares of common stock of NI Holdings. Nodak Insurance then became a wholly-owned stock subsidiary of NI Holdings. Prior to completion of the Nodak conversion, NI Holdings conducted no business and had no assets or liabilities. As a result of the Nodak conversion, NI Holdings became the holding company for Nodak Insurance and its existing subsidiaries.

These unaudited consolidated financial statements include the financial position and results of operations of NI Holdings and the following other entities:

Nodak Insurance Company

Nodak Insurance is the largest domestic property and casualty insurance company in North Dakota, offering private passenger auto, homeowners, farmowners, commercial multi-peril, crop hail, and Federal multi-peril crop insurance coverages through its captive agents in the state.

Nodak Agency, Inc.

Nodak Agency is an inactive shell corporation.

American West Insurance Company

American West is a property and casualty insurance company licensed in eight states in the Midwest and Western regions of the United States ("U.S."). American West began writing policies in 2002 and primarily writes private passenger auto, homeowners, and farm coverages in South Dakota. American West also writes private passenger auto coverage in North Dakota, as well as crop hail and Federal multi-peril crop insurance coverages in Minnesota and South Dakota.

Primero Insurance Company

Primero is a wholly-owned subsidiary of Tri-State, Ltd. Tri-State, Ltd. is an inactive shell corporation 100% owned by Nodak Insurance. Primero is a property and casualty insurance company writing non-standard auto coverage in the states of Arizona, North Dakota, and South Dakota. Prior to December 31, 2024, Primero also wrote non-standard auto coverage in the state of Nevada. Primero was acquired by Nodak Insurance in 2014.

Battle Creek Insurance Company

Battle Creek is a property and casualty insurance company writing private passenger auto, homeowners, and farm coverages solely in the state of Nebraska. Battle Creek became affiliated with Nodak Insurance in 2011 and, prior to January 2, 2024, was controlled by Nodak Insurance via a surplus note. On January 2, 2024, Battle Creek issued 300,000 shares of its common stock to Nodak Insurance at a $10.00 per share par value and became a wholly-owned subsidiary of Nodak Insurance. Because we concluded that we controlled Battle Creek prior to January 2, 2024, we consolidated the financial statements of Battle Creek, and Battle Creek's policyholders' interest in Battle Creek was reflected as a non-controlling interest in shareholders' equity in our Consolidated Balance Sheets and its net income or loss was excluded from net income or loss attributed to NI Holdings in our Consolidated Statements of Operations. Subsequent to January 2, 2024, Battle Creek is fully consolidated in our Consolidated Balance Sheets and Consolidated Statements of Operations and, as such, no longer reflected as a non-controlling interest.

Direct Auto Insurance Company

Direct Auto is a property and casualty insurance company licensed in Illinois. Direct Auto began writing non-standard auto coverage in 2007, and was acquired by NI Holdings on August 31, 2018, via a stock purchase agreement.

Westminster American Insurance Company

Westminster was a property and casualty insurance company underwriting commercial multi-peril insurance in 18 states and the District of Columbia. Westminster was sold to Scott Insurance Holdings on June 30, 2024. Subsequent to the date of sale, Westminster is reflected as discontinued operations within our Consolidated Balance Sheets and Consolidated Statements of Operations. For additional information see Part I, Item 1, Note 19 "Discontinued Operations" of this Form 10-Q.

Organizational Structure and Credit Ratings

Nodak Insurance markets and distributes its policies through its captive agents, while all other companies utilize the independent agent distribution channel. Additionally, all of the Company's insurance subsidiary and affiliate companies, excluding Westminster, are rated "A" Excellent by A.M. Best Company, Inc. ("AM Best"), a global credit rating agency specializing in the insurance industry.

The same executive management team provides oversight and strategic direction for the entire organization. Nodak Insurance personnel provide common product oversight, pricing practices, and underwriting standards, as well as underwriting and claims administration, to Nodak Insurance, American West, and Battle Creek. Primero and Direct Auto personnel manage the day-to-day operations of their respective companies. Westminster personnel managed the day-to-day operations of their company prior to the date of sale.

2. Basis of Presentation and Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. All material intercompany transactions and balances have been eliminated. These financial statements should be read in conjunction with the financial statements and notes thereto included in our 2024 Annual Report.

The Consolidated Balance Sheet at December 31, 2024, has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

The preparation of the interim unaudited consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim unaudited consolidated financial statements and the reported amounts of revenues, claims, and expenses during the reporting period.

We make estimates and assumptions that can have a significant effect on amounts and disclosures we report in our unaudited consolidated financial statements. The most significant estimates relate to our reserves for unpaid losses and loss adjustment expenses, earned premiums for crop insurance, valuation of investments, determination of credit impairments, valuation allowances for deferred income tax assets, deferred policy acquisition costs, as well as valuation and impairments of goodwill and other intangible assets. While we believe our estimates are appropriate, the ultimate amounts may differ from the estimates provided. We regularly review our methods for making these estimates as well as the continued appropriateness of the estimated amounts, and we reflect any adjustment we consider necessary in our current results of operations.

Operating results for the interim period ended March 31, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

Our 2024 Annual Report describes the accounting policies and estimates that are critical to the understanding of our results of operations, financial condition, and liquidity. The accounting policies and estimation processes described in the 2024 Annual Report were consistently applied to the unaudited consolidated financial statements as of and for the three months ended March 31, 2025 and 2024.

Discontinued Operations

On May 7, 2024, NI Holdings entered into a Stock Purchase Agreement ("Purchase Agreement") to sell its subsidiary, Westminster, to Scott Insurance Holdings, a privately owned Maryland limited liability company. Scott Insurance Holdings is affiliated with John Scott, Sr., the father of the president of Westminster, John Scott, Jr. The sale closed on June 30, 2024. The Purchase Agreement included a cash purchase price of $10,500, subject to certain post-closing adjustments, including a post-closing payment to NI Holdings for the amount by which the ending statutory surplus balance for Westminster exceeded $20,000. The post-closing payment received from Scott Insurance Holdings during the third quarter of 2024 was $1,772 and has been included as an adjustment to the purchase price for the calculation of the loss on the sale of Westminster. The sale of Westminster, which represented the majority of our Commercial segment in prior periods, was a strategic shift that has had a major effect on our operations and financial results. Therefore, Westminster has been reported as discontinued operations in the Consolidated Balance Sheets, Consolidated Statements of Operations, and Consolidated Statements of Cash Flows for all periods presented in this Form 10-Q. All current and prior periods reflected in this Form 10-Q have been presented as continuing and discontinued operations, unless otherwise noted. For additional information see Part I, Item 1, Note 19 "Discontinued Operations" of this Form 10-Q.

Recent Accounting Pronouncements

Adopted

For information regarding accounting pronouncements that the Company adopted during the periods presented, see Part II, Item 8, Note 2 “Recent Accounting Pronouncements” section of the 2024 Annual Report.

Not Yet Adopted

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This guidance requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The guidance is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this update are effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact of the new standard on our consolidated financial statements, which is expected to result in enhanced disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” This guidance is intended to improve disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. Such information should allow investors to better understand an entity's performance, assess future cash flows, and compare performance over time and with other entities. The amendments will require public business entities to disclose in the notes to the financial statements, at each interim and annual reporting period, specific information about certain costs and expenses, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each expense caption presented on the face of the statement of operations, and the total amount of an entity's selling expenses. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, and may be applied either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

3. Investments

The amortized cost and estimated fair value of fixed income securities, presented on a consolidated basis as of March 31, 2025, and December 31, 2024, were as follows:

	March 31, 2025				
	Cost or Amortized Cost	Allowance for Expected Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:					
U.S. Government and agencies	$ 12,705	$ —	$ 90	$ (187)	$ 12,608
Obligations of states and political subdivisions	51,038	—	80	(5,669)	45,449
Corporate securities	129,759	—	446	(5,947)	124,258
Residential mortgage-backed securities	75,477	—	344	(6,181)	69,640
Commercial mortgage-backed securities	29,996	—	108	(2,750)	27,354
Asset-backed securities	31,871	—	342	(384)	31,829
Redeemable preferred stocks	3,736	—	—	(571)	3,165
Total fixed income securities	$ 334,582	$ —	$ 1,410	$ (21,689)	$ 314,303

	December 31, 2024				
	Cost or Amortized Cost	Allowance for Expected Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:					
U.S. Government and agencies	$ 12,601	$ —	$ 8	$ (335)	$ 12,274
Obligations of states and political subdivisions	48,559	—	184	(4,920)	43,823
Corporate securities	123,585	—	206	(7,517)	116,274
Residential mortgage-backed securities	53,714	—	44	(4,981)	48,777
Commercial mortgage-backed securities	30,062	—	65	(2,943)	27,184
Asset-backed securities	59,046	—	386	(3,301)	56,131
Redeemable preferred stocks	3,737	—	—	(488)	3,249
Total fixed income securities	$ 331,304	$ —	$ 893	$ (24,485)	$ 307,712

The amortized cost and estimated fair value of fixed income securities by contractual maturity, presented on a consolidated basis, are shown below. Actual maturities could differ from contractual maturities because issuers may have the right to call or prepay these securities.

	March 31, 2025	
	Amortized Cost	Fair Value
Due to mature:		
One year or less	$ 10,970	$ 10,874
After one year through five years	61,550	59,598
After five years through ten years	79,529	75,655
After ten years	41,453	36,188
Mortgage / asset-backed securities	137,344	128,823
Redeemable preferred stocks	3,736	3,165
Total fixed income securities	$ 334,582	$ 314,303

	December 31, 2024	
	Amortized Cost	Fair Value
Due to mature:		
One year or less	$ 5,750	$ 5,696
After one year through five years	57,986	55,882
After five years through ten years	79,544	74,070
After ten years	41,465	36,723
Mortgage / asset-backed securities	142,822	132,092
Redeemable preferred stocks	3,737	3,249
Total fixed income securities	$ 331,304	$ 307,712

Fixed income securities with a fair value of $4,469 at March 31, 2025, and $5,634 at December 31, 2024, were deposited with various state regulatory agencies as required by law. The Company has not pledged any assets to secure any obligations.

The investment category and duration of the Company's gross unrealized losses on fixed income securities, presented on a consolidated basis, are shown below. Investments with unrealized losses are categorized with a duration of greater than 12 months when all positions of a security have continually been in a loss position for at least 12 months.

	March 31, 2025					
	Less than 12 Months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. Government and agencies	$ 1,321	$ (22)	$ 4,237	$ (165)	$ 5,558	$ (187)
Obligations of states and political subdivisions	8,535	(411)	31,964	(5,258)	40,499	(5,669)
Corporate securities	18,191	(218)	77,089	(5,729)	95,280	(5,947)
Residential mortgage-backed securities	14,757	(188)	32,790	(5,993)	47,547	(6,181)
Commercial mortgage-backed securities	2,072	(12)	20,874	(2,738)	22,946	(2,750)
Asset-backed securities	3,644	(5)	7,676	(379)	11,320	(384)
Redeemable preferred stocks	—	—	3,165	(571)	3,165	(571)
Total fixed income securities	$ 48,520	$ (856)	$ 177,795	$ (20,833)	$ 226,315	$ (21,689)

	December 31, 2024					
	Less than 12 Months		Greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. Government and agencies	$ 5,443	$ (109)	$ 4,177	$ (226)	$ 9,620	$ (335)
Obligations of states and political subdivisions	8,465	(143)	29,428	(4,777)	37,893	(4,920)
Corporate securities	25,790	(481)	76,364	(7,036)	102,154	(7,517)
Residential mortgage-backed securities	20,827	(451)	23,159	(4,530)	43,986	(4,981)
Commercial mortgage-backed securities	1,409	(50)	19,442	(2,893)	20,851	(2,943)
Asset-backed securities	10,926	(122)	20,579	(3,179)	31,505	(3,301)
Redeemable preferred stocks	—	—	3,249	(488)	3,249	(488)
Total fixed income securities	$ 72,860	$ (1,356)	$ 176,398	$ (23,129)	$ 249,258	$ (24,485)

We, along with our investment advisor, frequently review our investment portfolio for declines in fair value that could be indicative of credit losses, which are recognized through an allowance account. We consider a number of factors when determining if an allowance for credit losses is necessary, including payment and default history, credit spreads, credit ratings and rating actions, and probability of default. We determine the credit loss component of fixed income investments by utilizing discounted cash flow modeling to determine the present value of the security and comparing the present value with the amortized cost of the security. We have not recognized any credit losses for fixed income securities since adoption of the credit loss standard. Therefore, there was no beginning balance, activity, or ending balance of credit losses as of and during the three months ended March 31, 2025 and 2024. See Part II, Item 8, Note 3 "Summary of Significant Accounting Policies and Basis of Presentation" section of the 2024 Annual Report for additional information.

Net investment income for continuing and discontinued operations consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Continuing operations:		
Fixed income securities	$ 3,128	$ 2,872
Equity securities	208	241
Real estate	66	97
Cash and cash equivalents	369	437
Total gross investment income	3,771	3,647
Investment expenses	933	892
Net investment income – continuing operations	2,838	2,755
Net investment income – discontinued operations	—	798
Net investment income	$ 2,838	$ 3,553

Net investment gains for continuing and discontinued operations consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Continuing operations:		
Gross realized gains:		
Fixed income securities	$ —	$ 9
Equity securities	503	190
Total gross realized gains	503	199
Gross realized losses, excluding credit impairment losses:		
Fixed income securities	—	(15)
Equity securities	(177)	(275)
Total gross realized losses, excluding credit impairment losses	(177)	(290)
Net realized gains (losses)	326	(91)
Change in net unrealized gains on equity securities	543	1,547
Net investment gains – continuing operations	869	1,456
Net investment gains – discontinued operations	—	372
Net investment gains	$ 869	$ 1,828

Non-cash investment transactions were $499 and $0 for the three months ended March 31, 2025 and 2024, respectively. The activity in the current year quarter consisted of one non-cash exchange of a fixed income security.

4. Fair Value Measurements

The Company uses fair value measurements to record fair value adjustments to certain assets to determine fair value disclosures. Investment securities available for sale are recorded at fair value on a recurring basis. Additionally, from time to time, we may be required to record other assets or liabilities at fair value on a nonrecurring basis. These nonrecurring fair value adjustments typically involve application of lower-of-cost-or-market accounting or write-downs of individual assets. Accounting guidance on fair value measurements and disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability. Level 2 includes fixed income securities with quoted prices that are traded less frequently than exchange traded instruments. Valuation techniques include matrix pricing which is a mathematical technique used widely in the industry to value fixed income securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

The Company bases its fair values on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets where there exists limited or no observable market data and, therefore, are based primarily upon the estimates of the Company or other third-parties, are often calculated based on the characteristics of the asset, the economic and competitive environment, and other such factors. Management uses its best judgment in estimating the fair value of the Company's financial instruments; however, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts which could have been realized in a sale transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective period-end and have not been re-evaluated or updated for purposes of our consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period-end. Additionally, changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the results of current or future valuations.

The Company uses quoted values and other data provided by an independent pricing service in its process for determining fair values of its investments. The evaluations of such pricing services represent an exit price and a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale. This pricing service provides us with one quote per instrument. For fixed income securities that have quoted prices in active markets, market quotations are provided. For fixed income securities that do not trade on a daily basis, the independent pricing service prepares estimates of fair value using a wide array of observable inputs including relevant market information, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. The observable market inputs that the Company's independent pricing service utilizes may include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, market bids/offers, and other reference data on markets, industry, and the economy. Additionally, the independent pricing service uses an option-adjusted spread model to develop prepayment and interest rate scenarios.

Should the independent pricing service be unable to provide a fair value estimate, we would first attempt to obtain a fair value estimate from a second independent pricing service. If unsuccessful, we would attempt to obtain a non-binding fair value estimate from a number of broker-dealers and would review this estimate in conjunction with a fair value estimate reported by an independent business news service or other sources. In instances where only one broker-dealer provides a fair value for a fixed income security, we would use that estimate. In instances where the Company would be able to obtain fair value estimates from more than one broker-dealer, we would review the range of estimates and select the most appropriate value based on the facts and circumstances. Should neither the independent pricing service nor a broker-dealer provide a fair value estimate, we would develop a fair value estimate based on cash flow analyses and other valuation techniques that utilize certain unobservable inputs. Accordingly, the Company classifies such a security as a Level 3 investment.

The fair value estimates of our investments provided by the independent pricing service at each period-end were utilized, among other resources, in reaching a conclusion as to the fair value of our investments.

Management reviews the reasonableness of the pricing provided by the independent pricing service by employing various analytical procedures. We also use information from a second independent pricing service to further validate the reasonableness of the valuation of our fixed income portfolio. If, after this review, management does not believe the pricing for any security is a reasonable estimate of fair value, then it will seek to resolve the discrepancy through discussions with the independent pricing services. In its review, management did not identify any such discrepancies and no adjustments were made to the estimates provided by the independent pricing services for the three-month period ended March 31, 2025, or the year ended December 31, 2024. The classification within the fair value hierarchy is then confirmed based on the final conclusions from the pricing review.

The valuation of money market accounts and equity securities are generally based on Level 1 inputs, which use the market-approach valuation technique. The valuation of certain cash equivalents and our fixed income securities generally incorporates significant Level 2 inputs using the market and income approach techniques. We may assign a lower level to inputs typically considered to be Level 2 based on our assessment of liquidity and relative level of uncertainty surrounding inputs. There were no assets or liabilities classified at Level 3 at March 31, 2025, or December 31, 2024.

The following tables set forth our assets which are measured on a recurring basis by the level within the fair value hierarchy in which fair value measurements fall:

	March 31, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Fixed income securities:				
U.S. Government and agencies	$ 12,608	$ —	$ 12,608	$ —
Obligations of states and political subdivisions	45,449	—	45,449	—
Corporate securities	124,258	—	124,258	—
Residential mortgage-backed securities	69,640	—	69,640	—
Commercial mortgage-backed securities	27,354	—	27,354	—
Asset-backed securities	31,829	—	31,829	—
Redeemable preferred stock	3,165	—	3,165	—
Total fixed income securities	314,303	—	314,303	—
Equity Securities - Common stock	25,584	25,584	—	—
Money market accounts and cash equivalents	11,698	11,698	—	—
Total assets at fair value	$ 351,585	$ 37,282	$ 314,303	$ —

	December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Fixed income securities:				
U.S. Government and agencies	$ 12,274	$ —	$ 12,274	$ —
Obligations of states and political subdivisions	43,823	—	43,823	—
Corporate securities	116,274	—	116,274	—
Residential mortgage-backed securities	48,777	—	48,777	—
Commercial mortgage-backed securities	27,184	—	27,184	—
Asset-backed securities	56,131	—	56,131	—
Redeemable preferred stock	3,249	—	3,249	—
Total fixed income securities	307,712	—	307,712	—
Equity Securities - Common stock	24,640	24,640	—	—
Money market accounts and cash equivalents	10,950	10,950	—	—
Total assets at fair value	$ 343,302	$ 35,590	$ 307,712	$ —

There were no liabilities measured at fair value on a recurring basis at March 31, 2025, or December 31, 2024.

5. Reinsurance

External Reinsurance

The Company's consolidated financial statements reflect the effects of assumed and ceded reinsurance transactions. Assumed reinsurance refers to the acceptance of certain insurance risks that other insurance companies have underwritten. Ceded reinsurance involves transferring certain insurance risks (along with the related written and earned premiums) the Company has underwritten to other insurance companies who agree to share these risks. The Company reinsures a portion of the risks it underwrites, through these ceded reinsurance agreements, in order to control its exposure to losses. Our ceded reinsurance is placed either on an automatic basis under general reinsurance contracts known as treaties or through facultative contracts placed on substantial individual risks. These contracts do not relieve the Company from its obligations to policyholders. Treaty reinsurance contracts are typically effective from January 1 through December 31 each year.

During the three-month period ended March 31, 2025, the Company maintained property catastrophe reinsurance protection covering $117,000 in excess of a $20,000 retention. Our per risk excess of loss treaty provides coverage of $4,000 in excess of $1,000 for property risks and $11,000 in excess of $1,000 for casualty risks. Additionally, a property per-risk facultative contract is in place to provide coverage up to $20,000 in excess of $5,000 per property. Aggregate stop loss reinsurance agreements are also in place for both crop hail and multi-peril crop coverage. The crop hail aggregate attaches at a 100% net loss ratio providing 50 points of cover. The multi-peril crop aggregate attaches at a 105% net loss ratio providing 45 points of cover. In addition to the aggregate covers, underlying multi-peril crop reinsurance is provided through the Federal Crop Insurance Corporation ("FCIC").

During the year ended December 31, 2024, the Company maintained property catastrophe reinsurance protection covering $133,000 in excess of a $20,000 retention. With the exception of Westminster, a per risk excess of loss treaty provides coverage of $4,000 in excess of $1,000 for property risks and $11,000 in excess of $1,000 for casualty risks. For Westminster, a per risk excess of loss treaty provided coverage of $3,000 in excess of $2,000 for property risks and $10,000 in excess of $2,000 for casualty risks until July 1, 2024. Additionally, a property per-risk facultative contract is in place to provide coverage up to $20,000 in excess of $5,000 per property. Aggregate stop loss reinsurance agreements are also in place for both crop hail and multi-peril crop coverage. The crop hail aggregate attaches at a 100% net loss ratio providing 50 points of cover. The multi-peril crop aggregate attaches at a 105% net loss ratio providing 45 points of cover. In addition to the aggregate covers, underlying multi-peril crop reinsurance is provided through the FCIC.

Effective July 1, 2024, the Company's reinsurance contracts were modified to exclude any Westminster losses occurring on or after that date, while maintaining all other existing limits, retentions, and attachment points.

The Company actively monitors and evaluates the financial condition of the reinsurers and develops estimates of the uncollectible amounts due from reinsurers, which would be recognized as credit losses through an allowance account developed using the current expected credit losses ("CECL") model. See the Part II, Item 8, Note 3 "Summary of Significant Accounting Policies and Basis of Presentation" section of the 2024 Annual Report for additional information. Credit loss estimates are made based on periodic evaluation of balances due from reinsurers, changes in reinsurer credit standing, judgments regarding reinsurers' solvency, known disputes, reporting characteristics of the underlying reinsured business, historical experience, current economic conditions, and the state of reinsurer relations in general. Collection risk is mitigated by entering into reinsurance arrangements only with reinsurers that have strong credit ratings and statutory surplus above certain levels. At March 31, 2025, and December 31, 2024, management has concluded that it is not necessary to record an allowance for expected credit losses related to reinsurance recoverables. All of our significant reinsurance partners are rated "A-" (Excellent) or better by AM Best or "A+" or better by Standard & Poor's, and there is no history of write-offs.

A reconciliation of direct to net premiums on both a written and an earned basis, presented on a consolidated basis, including both continuing and discontinued operations, is as follows:

	Three Months Ended March 31, 2025	
	Premiums Written	Premiums Earned
Direct premium	$ 67,728	$ 72,161
Assumed premium	38	39
Ceded premium	(4,704)	(4,703)
Net premiums	$ 63,062	$ 67,497

	Three Months Ended March 31, 2024	
	Premiums Written	Premiums Earned
Direct premium	$ 102,657	$ 94,900
Assumed premium	137	151
Ceded premium	(9,807)	(9,494)
Net premiums	$ 92,987	$ 85,557

The reconciliations of the Company's direct to net premiums on both a written and an earned basis for the current and comparable prior year quarter, segregated between continuing and discontinued operations, are shown below:

	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Premiums Written	Premiums Earned	Premiums Written	Premiums Earned
Continuing operations:				
Direct premium	$ 67,728	$ 72,161	$ 83,041	$ 75,398
Assumed premium	38	39	137	151
Ceded premium	(4,704)	(4,703)	(5,666)	(5,665)
Net premiums	$ 63,062	$ 67,497	$ 77,512	$ 69,884

	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Premiums Written	Premiums Earned	Premiums Written	Premiums Earned
Discontinued operations:				
Direct premium	$ —	$ —	$ 19,616	$ 19,502
Assumed premium	—	—	—	—
Ceded premium	—	—	(4,141)	(3,829)
Net premiums	$ —	$ —	$ 15,475	$ 15,673

A reconciliation of direct to net losses and loss adjustment expenses, presented on a consolidated basis, including both continuing and discontinued operations, is as follows:

	Three Months Ended March 31,	
	2025	2024
Direct losses and loss adjustment expenses	$ 40,379	$ 54,654
Assumed losses and loss adjustment expenses	(233)	45
Ceded losses and loss adjustment expenses	(1,621)	(2,490)
Net losses and loss adjustment expenses	$ 38,525	$ 52,209

The reconciliations for the current and comparable prior year quarter continuing and discontinued operations of direct to net losses and loss adjustment expenses are as follows:

	Three Months Ended March 31,	
	2025	2024
Continuing operations:		
Direct losses and loss adjustment expenses	$ 40,379	$ 41,519
Assumed losses and loss adjustment expenses	(233)	45
Ceded losses and loss adjustment expenses	(1,621)	(1,420)
Net losses and loss adjustment expenses	$ 38,525	$ 40,144

	Three Months Ended March 31,	
	2025	2024
Discontinued operations:		
Direct losses and loss adjustment expenses	$ —	$ 13,135
Assumed losses and loss adjustment expenses	—	—
Ceded losses and loss adjustment expenses	—	(1,070)
Net losses and loss adjustment expenses	$ —	$ 12,065

Intercompany Reinsurance Pooling Arrangement

Effective January 1, 2020, all of our insurance subsidiary and affiliate companies entered into an intercompany reinsurance pooling agreement. Nodak Insurance is the lead company of the pool, and assumes the net premiums, net losses, and underwriting expenses from each of the other five companies. Nodak Insurance then retrocedes balances back to each company, while retaining its own share of the pool's net underwriting results, based on individual pool percentages established in the respective pooling agreement. This arrangement allows each insurance company to rely upon the capacity of the pool's total statutory capital and surplus. As a result, they are evaluated by AM Best on a group basis and hold a single combined financial strength rating, long-term issuer credit rating, and financial size category. Subsequent to the June 30, 2024, date of sale, Westminster is no longer a member of the pool, and the pooling percentages for the remaining insurance subsidiaries were updated based on their respective surplus as a percentage of the pool as of December 31, 2023.

6. Deferred Policy Acquisition Costs

Expenses directly related to successfully acquired insurance policies, primarily commissions, premium taxes and underwriting costs, are deferred and amortized over the terms of the policies. We update our acquisition cost assumptions periodically to reflect actual experience, and we evaluate the costs for recoverability. The table below, presented on a consolidated basis, including both continuing and discontinued operations, shows the deferred policy acquisition costs and asset reconciliation:

	Three Months Ended March 31,	
	2025	2024
Balance, beginning of period	$ 26,300	$ 34,120
Deferral of policy acquisition costs	14,041	23,108
Amortization of deferred policy acquisition costs	(16,528)	(20,663)
Balance, end of period	$ 23,813	$ 36,565

The tables for the current and comparable prior year quarter continuing and discontinued operations showing the deferred policy acquisition costs and assets reconciliation are shown below:

	Three Months Ended March 31,	
	2025	2024
Continuing operations:		
Balance, beginning of period	$ 26,300	$ 26,790
Deferral of policy acquisition costs	14,041	18,975
Amortization of deferred policy acquisition costs	(16,528)	(16,817)
Balance, end of period	$ 23,813	$ 28,948

	Three Months Ended March 31,	
	2025	2024
Discontinued operations:		
Balance, beginning of period	$ —	$ 7,330
Deferral of policy acquisition costs	—	4,133
Amortization of deferred policy acquisition costs	—	(3,846)
Balance, end of period	$ —	$ 7,617

7. Unpaid Losses and Loss Adjustment Expenses

Activity in the liability for unpaid losses and loss adjustment expenses is summarized as follows for both continuing and discontinued operations:

	Three Months Ended March 31,	
	2025	2024
Balance, beginning of period:		
Liability for unpaid losses and loss adjustment expenses	$ 137,288	$ 217,119
Reinsurance recoverables on losses	12,561	48,969
Net balance, beginning of period	124,727	168,150
Incurred related to:		
Current year	37,107	50,925
Prior years	1,418	1,284
Total incurred	38,525	52,209
Paid related to:		
Current year	10,375	12,940
Prior years	25,637	31,897
Total paid	36,012	44,837
Balance, end of period:		
Liability for unpaid losses and loss adjustment expenses	135,886	225,006
Reinsurance recoverables on losses	8,646	49,484
Net balance, end of period	$ 127,240	$ 175,522

During the three months ended March 31, 2025, the Company's incurred reported losses and loss adjustment expense included $1,418 of net unfavorable development on prior accident years. This was primarily attributable to unfavorable development for the Direct Auto non-standard auto business. During the three months ended March 31, 2024, the Company's incurred reported losses and loss adjustment expenses included $1,284 of net unfavorable development on prior accident years, primarily attributable to unfavorable development for the Direct Auto non-standard auto business partially offset by favorable development for Battle Creek, American West, and Nodak Insurance. During 2024, Westminster was sold and all associated liabilities were included in the sale.

Changes in unpaid losses and loss adjustment expense reserves are generally the result of ongoing analysis of recent loss development trends. As additional information becomes known regarding individual claims, original estimates are increased or decreased accordingly.

The tables for the current and comparable prior year quarter continuing and discontinued operations showing the liability for unpaid losses and loss adjustment expense are shown below:

	Three Months Ended March 31,	
	2025	**2024**
Continuing operations:		
Balance, beginning of period:		
Liability for unpaid losses and loss adjustment expenses	$ 137,288	$ 119,184
Reinsurance recoverables on losses	12,561	6,460
Net balance, beginning of period	124,727	112,724
Incurred related to:		
Current year	37,107	38,888
Prior years	1,418	1,256
Total incurred	38,525	40,144
Paid related to:		
Current year	10,375	11,702
Prior years	25,637	26,981
Total paid	36,012	38,683
Balance, end of period:		
Liability for unpaid losses and loss adjustment expenses	135,886	120,531
Reinsurance recoverables on losses	8,646	6,346
Net balance, end of period	$ 127,240	$ 114,185

	Three Months Ended March 31,	
	2025	2024
Discontinued operations:		
Balance, beginning of period:		
Liability for unpaid losses and loss adjustment expenses	$ —	$ 97,935
Reinsurance recoverables on losses	—	42,509
Net balance, beginning of period	—	55,426
Incurred related to:		
Current year	—	12,037
Prior years	—	28
Total incurred	—	12,065
Paid related to:		
Current year	—	1,238
Prior years	—	4,916
Total paid	—	6,154
Balance, end of period:		
Liability for unpaid losses and loss adjustment expenses	—	104,475
Reinsurance recoverables on losses	—	43,138
Net balance, end of period	$ —	$ 61,337

8. Property and Equipment

Property and equipment consisted of the following:

	March 31, 2025	December 31, 2024	Estimated Useful Life
Cost:			
Land	$ 1,249	$ 1,249	indefinite
Building and improvements	12,507	12,497	10 – 43 years
Electronic data processing equipment	1,444	1,444	5 – 7 years
Furniture and fixtures	2,774	2,762	5 – 7 years
Automobiles	1,280	1,280	2 – 3 years
Gross cost	19,254	19,232	
Accumulated depreciation	(11,860)	(11,685)	
Total property and equipment, net	$ 7,394	$ 7,547	

Depreciation expense was $173 and $243 for the three months ended March 31, 2025 and 2024, respectively. Depreciation expense for continuing operations was $173 and $154 for the three months ended March 31, 2025 and 2024, respectively.

9. Goodwill and Other Intangibles

Goodwill

The following table presents the carrying amount of the Company’s goodwill and related impairment by segment:

	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
	Non-Standard Auto	Commercial	Total	Non-Standard Auto	Commercial	Total
Goodwill, beginning of period	—	—	—	2,628	—	2,628
Impairment recognized during the period	—	—	—	(2,628)	—	(2,628)
Goodwill, end of period	$ —	$ —	$ —	$ —	$ —	$ —

We performed a quantitative assessment of the goodwill related to the Primero acquisition during the fourth quarter of 2024, which is allocated to our Non-Standard Auto segment, and concluded that the goodwill was fully impaired as of December 31, 2024, resulting in a non-cash impairment charge of $2,628. See the Part II, Item 8, Note 10 “Goodwill and Other Intangibles” section of the 2024 Annual Report for additional information.

Other Intangible Assets

The gross and net carrying value of the Company’s other intangible assets were $100 at March 31, 2025, and December 31, 2024, and consist of the state insurance license for Direct Auto, which has an indefinite life.

We determined during our reviews that the other indefinite-lived intangible assets were not impaired as of March 31, 2025, or December 31, 2024.

Amortization expense was $0 and $106 for the three months ended March 31, 2025 and 2024, respectively. Amortization expense for continuing operations was $0 for the three months ended March 31, 2025 and 2024.

10. Royalties, Dividends, and Affiliations

North Dakota Farm Bureau

Nodak Insurance was organized by the North Dakota Farm Bureau (“NDFB”) to provide insurance protection for its members. We have a royalty agreement with the NDFB that recognizes the use of their trademark and provides royalties to the NDFB based on the premiums written on Nodak Insurance’s policies. Royalties paid to the NDFB were $440 and $403 during the three months ended March 31, 2025 and 2024, respectively. Royalty amounts payable of $163 and $146 were accrued as a liability to the NDFB at March 31, 2025, and December 31, 2024, respectively.

Dividends

State insurance laws require our insurance subsidiaries to maintain certain minimum capital and surplus amounts on a statutory basis. Our insurance subsidiaries are subject to regulations that restrict the payment of dividends from statutory surplus and may require prior approval from their domiciliary insurance regulatory authorities. Our insurance subsidiaries are also subject to risk-based capital requirements that may further affect their ability to pay dividends. Our insurance subsidiaries statutory capital and surplus at December 31, 2024, exceeded the amount of statutory capital and surplus necessary to satisfy risk-based capital requirements by a significant margin. For information regarding the availability of subsidiaries to pay dividends to NI Holdings during 2024, see Part II, Item 8, Note 11 “Royalties, Dividends, and Affiliations” section of the 2024 Annual Report.

Battle Creek

Prior to January 2, 2024, we consolidated the financial statements of Battle Creek, and Battle Creek’s policyholders’ interest in Battle Creek was reflected as a non-controlling interest in shareholders’ equity in our Consolidated Balance Sheets. Subsequent to January 2, 2024, Battle Creek is fully consolidated in our Consolidated Balance Sheets. See the Part I, Item 1, Note 1 “Organization” section of this Form 10-Q for additional information.

11. Benefit Plans

Nodak Insurance sponsors a 401(k) plan with an automatic and matching contribution for eligible employees at Nodak Insurance, Primero, and Direct Auto. Nodak Insurance also contributes an additional elective amount of employee compensation as a profit-sharing contribution for eligible employees. Westminster also sponsored a separate 401(k) plan until the company was sold on June 30, 2024. American West and Battle Creek have no employees. The Company reported expenses related to these plans totaling $320 and $346 during the three months ended March 31, 2025 and 2024, respectively.

All fees associated with the plans are deducted from the eligible employee accounts.

The Company also offers a non-qualified deferred compensation plan to key executives of the Company (as designated by the Board of Directors). The Company’s policy is to fund the plan by amounts that represent the excess of the maximum contribution allowed by the Employee Retirement Income Security Act over the key executives’ allowable 401(k) contribution. The plan also allows employee-directed deferral of key executives’ compensation or incentive payments. The Company reported expenses related to this plan totaling $134 and $198 during the three months ended March 31, 2025 and 2024, respectively.

In connection with our initial public offering ("IPO") in March 2017, the Company established its Employee Stock Ownership Plan (the "ESOP") within the meaning of Internal Revenue Code Section 4975(e)(7) and invests solely in common stock of the Company.

Upon establishment of the ESOP, Nodak Insurance loaned $2,400 to the ESOP's related trust (the "ESOP Trust"). The ESOP loan was for a period of ten years, bearing interest at the long-term Applicable Federal Rate effective on the closing date of the offering (2.79% annually). The ESOP Trust used the proceeds of the loan to purchase shares in our IPO, which resulted in the ESOP Trust owning approximately 1.0% of the Company's authorized shares. The ESOP has purchased the shares for investment and not for resale.

The shares purchased by the ESOP Trust in the offering are held in a suspense account as collateral for the ESOP loan. Nodak Insurance makes semi-annual cash contributions to the ESOP in amounts no smaller than the amounts required for the ESOP Trust to make its loan payments to Nodak Insurance. While the ESOP makes two loan payments per year, a pre-determined portion of the shares are released from the suspense account and allocated to participant accounts at the end of the calendar year. This release and allocation occurs on an annual basis over the ten-year term of the ESOP loan. Nodak Insurance has a lien on the shares of common stock of the Company held by the ESOP to secure repayment of the loan from the ESOP to Nodak Insurance. If the ESOP is terminated as a result of a change in control of the Company, the ESOP may be required to pay the costs of terminating the plan.

It is anticipated that the only assets held by the ESOP will be shares of the Company's common stock. Participants in the ESOP cannot direct the investment of any assets allocated to their accounts. The ESOP participants are employees of Nodak Insurance. The employees of Primero, Direct Auto, and Westminster do not participate in the ESOP.

Each employee of Nodak Insurance automatically becomes a participant in the ESOP if such employee is at least 21 years old, has completed a minimum of one thousand hours of service with Nodak Insurance, and has completed an Eligibility Computation Period. Employees are not permitted to make any contributions to the ESOP. Participants in the ESOP receive annual reports from the Company showing the number of shares of common stock of the Company allocated to the participants' accounts and the market value of those shares. The shares are allocated to participants based on compensation as provided for in the ESOP.

In connection with the establishment of the ESOP, the Company created a contra-equity account on the Consolidated Balance Sheet equal to the ESOP's basis in the shares. The basis of those shares was set at $10.00 per share as part of the IPO. As shares are released from the ESOP suspense account, the contra-equity account is credited, which reduces the impact of the contra-equity account on the Company's Consolidated Balance Sheets over time. The Company records compensation expense related to the shares released, equal to the number of shares released from the suspense account multiplied by the average market value of the Company's stock during the period.

The Company recognized compensation expense related to the ESOP of $89 and $84 during the three months ended March 31, 2025 and 2024, respectively, related to the ESOP.

Through March 31, 2025, and December 31, 2024, the Company had released and allocated 194,520 ESOP shares to participants, with a remainder of 45,480 ESOP shares in suspense at March 31, 2025 and December 31, 2024. Using the Company's quarter-end market price of $14.26 per share, the fair value of the unearned ESOP shares was $649 at March 31, 2025.

12. Line of Credit

NI Holdings has a $3,000 line of credit with Wells Fargo Bank, N.A. The terms of the line of credit include a floating interest rate of 2.50% above the daily simple secured overnight financing rate. There were no outstanding amounts during the three months ended March 31, 2025, or the year ended December 31, 2024. This line of credit is scheduled to expire on December 13, 2025.

13. Income Taxes

We record any change to a previously recorded valuation allowance as a result of re-measuring existing temporary differences and loss carryforwards as a component of income tax expense (benefit) from continuing operations. The valuation allowance against certain deferred income tax assets was $2,093 and $2,506 at March 31, 2025 and December 31, 2024, respectively.

At March 31, 2025, and December 31, 2024, we had no unrecognized tax benefits, no accrued interest and penalties, and no significant uncertain tax positions. No interest and penalties were recognized during the three-month period ended March 31, 2025, or the year ended December 31, 2024.

Our effective tax rate for the three months ended March 31, 2025, was 16.6%, which was impacted by the $413 change in the recorded valuation allowance noted above. The effective tax rate for continuing operations was 21.5% for the three months ended March 31, 2024. Federal income taxes were allocated to discontinued operations at a 21.0% effective tax rate for the three months ended March 31, 2024.

14. Leases

Primero leases a facility in Spearfish, South Dakota under a non-cancellable operating lease expiring in 2028. Direct Auto leases a facility in Chicago, Illinois under a non-cancellable operating lease expiring in 2029. Nodak Insurance leases a facility in Fargo, North Dakota under a non-cancellable operating lease expiring in 2029. In addition, Nodak Insurance leases server equipment under a non-cancellable finance lease expiring in 2026.

We determine whether a contract is or contains a lease at the inception of the contract. A contract will be deemed to be or contain a lease if the contract conveys the right to control and directs the use of identified property or equipment for a period of time in exchange for consideration. We generally must also have the right to obtain substantially all of the economic benefits from the use of the property and equipment. Lease assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. To determine the present value of lease payments not yet paid, we estimate incremental borrowing rates based on the floating interest rate on our Line of Credit with Wells Fargo Bank, N.A. at the lease commencement date, as rates are not implicitly stated in most leases. Lease liabilities are included in accrued expenses and other liabilities and right-of-use assets are included in other assets in the Consolidated Balance Sheets.

There were expenses of $115 and $122 related to these leases during the three months ended March 31, 2025 and 2024, respectively.

Additional information regarding the Company’s leases are as follows:

	As of and For the Three Months Ended March 31,	
	2025	2024
Operating lease cost	$ 91	$ 96
Finance lease cost:		
Amortization of right-of-use assets	20	20
Interest on lease liabilities	4	6
Finance lease cost	24	26
Total lease cost	$ 115	$ 122
Other information on leases:		
Cash payments included in operating cash flows from operating leases	$ 97	$ 101
Cash payments included in operating cash flows from finance leases	4	6
Cash payments included in financing cash flows from finance leases	26	25
Right-of-use assets obtained in exchange for new operating lease liabilities	—	—
Right-of-use assets obtained in exchange for new finance lease liabilities	—	—
Weighted average discount rate – operating leases	4.47%	3.94%
Weighted average discount rate – finance leases	8.50%	8.50%
Weighted average remaining lease term in years – operating leases	4.4 years	5.1 years
Weighted average remaining lease term in years – finance leases	1.6 years	2.6 years

The following table presents the contractual maturities of the Company’s lease liabilities for each of the five years in the period ending December 31, 2029, and thereafter, reconciled to our lease liability at March 31, 2025:

Year ending December 31,	Operating Leases	Finance Leases	Total
2025 (nine months remaining)	$ 296	$ 90	$ 386
2026	396	100	496
2027	401	—	401
2028	376	—	376
2029	212	—	212
Thereafter	—	—	—
Total undiscounted lease payments	1,681	190	1,871
Less: present value adjustment	143	11	154
Lease liability at March 31, 2025	$ 1,538	$ 179	$ 1,717

15. Contingencies

We are, from time to time, party to routine litigation incidental to the normal course of our business. Based upon information presently available to us, we do not consider any litigation to be material. However, given the uncertainties attendant to litigation, we cannot assure you that our results of operations and financial condition will not be materially adversely affected by any litigation. Contingent liabilities arising from litigation, income taxes, and other matters are not considered to be material to our financial position.

16. Common and Preferred Stock

Common Stock

Changes in the number of common stock shares outstanding were as follows:

	Three Months Ended March 31,	
	2025	2024
Shares outstanding, beginning of period	20,673,268	20,599,908
Treasury shares repurchased through stock repurchase authorization	—	—
Issuance of treasury shares for vesting of restricted stock units	25,306	29,546
Shares outstanding, end of period	20,698,574	20,629,454

The changes in the number of common shares outstanding excludes certain non-forfeitable stock award shares that are included in the weighted average common shares outstanding used in basic earnings per common share calculations.

On May 9, 2022, our Board of Directors approved an authorization for the repurchase of up to approximately $10,000 of the Company's outstanding common stock. During the three months ended March 31, 2025, we did not repurchase any shares of our common stock. During the three months ended March 31, 2024, we did not repurchase any shares of our common stock. At March 31, 2025, $2,052 remains available under this authorization.

The cost of this treasury stock is a reduction of shareholders' equity within our Consolidated Balance Sheets.

Preferred Stock

The Company's Articles of Incorporation provide authority to issue up to five million shares of preferred stock. No preferred shares are issued or outstanding.

17. Share-Based Compensation

The NI Holdings, Inc. 2020 Stock and Incentive Plan (the "Plan") is designed to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, independent contractors, advisors, and non-employee directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to afford such persons an opportunity to acquire an ownership interest in the Company, thereby aligning the interests of such persons with the Company's shareholders.

The Plan provides for the grant of nonqualified stock options, incentive stock options, restricted stock units ("RSUs"), stock appreciation rights, dividend equivalents, and performance share units ("PSUs") to employees, officers, consultants, advisors, non-employee directors, and independent contractors designated by the Compensation Committee of the Board of Directors (the "Compensation Committee"). Awards made under the Plan are based upon, among other things, a participant's level of responsibility and performance within the Company.

The total aggregate number of shares of common stock that may be issued under the Plan shall not exceed 1,000,000 shares, subject to adjustments as provided in the Plan. No eligible participant may be granted any awards for more than 100,000 shares in the aggregate in any calendar year, subject to adjustment in accordance with the Plan. The aggregate amount payable pursuant to all performance awards denominated in cash to any eligible person in any calendar year is limited to $1,000 in value. Directors who are not also employees of the Company may not be granted awards denominated in shares that exceed $150 in any calendar year.

Restricted Stock Units

The Compensation Committee has awarded RSUs to non-employee directors and select executives. RSUs are promises to issue actual shares of common stock at the end of a vesting period. The RSUs granted to executives under the Plan are based on salary. RSUs granted prior to 2024 vest equally over a five-year period. Effective for executive grants beginning in 2024, the RSUs vest equally over a three-year period. As approved by the Compensation Committee, all executive share-based compensation granted in 2025 was awarded as RSUs. The RSUs granted to non-employee directors vest 100% on the date of the next annual meeting of shareholders following the grant date. Dividend equivalents on RSUs are accrued during the vesting period and paid in cash at the end of the vesting period but are subject to forfeiture until the underlying shares become vested. Participants do not have voting rights with respect to RSUs.

The Company recognizes stock-based compensation costs for RSUs based on the grant date fair value. The compensation costs are normally expensed over the vesting periods to each vesting date; however, the cost of RSUs granted to executives are expensed immediately if the executive has met certain retirement criteria and the RSUs become non-forfeitable. Estimated forfeitures are included in the determination of compensation costs. No forfeitures are currently estimated.

A summary of the Company's outstanding and unearned RSUs is presented below:

	RSUs	Weighted-Average Grant-Date Fair Value Per Share
Units outstanding and unearned at January 1, 2024	146,580	$ 15.37
RSUs granted during 2024	119,398	14.67
RSUs earned during 2024	(69,420)	14.82
Forfeitures [1]	(92,160)	15.18
Units outstanding and unearned at December 31, 2024	104,398	15.11
RSUs granted during 2025	127,254	14.26
RSUs earned during 2025	(27,513)	14.77
Units outstanding and unearned at March 31, 2025	204,139	14.62

[1] Represents RSU forfeitures primarily related to the execution of the separation agreement with the former Chief Executive Officer and former Senior Vice President of Operations.

The following table shows the impact of RSU activity to the Company's financial results:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
RSU compensation expense	$ 463	$ 396
Income tax benefit	(105)	(90)
RSU compensation expense, net of income taxes	$ 358	$ 306

At March 31, 2025, there was $2,093 of unrecognized compensation cost related to outstanding RSUs. That cost is expected to be recognized over a weighted-average period of 2.66 years.

Performance Share Units

The Compensation Committee has awarded PSUs to select executives. PSUs are promises to issue actual shares of common stock at the end of a vesting period, if certain performance conditions are met. The PSUs granted to employees under the Plan are based on salary and, prior to 2024, include a three-year adjusted book value cumulative growth target with threshold and stretch goals. For grants made in 2024, the performance metric is calculated based on an adjusted return on equity over a three-year period, with annual resets. There were no PSUs granted in 2025. They will vest on the third anniversary of the grant date, subject to the participant's continuous employment through the vesting date and the level of performance achieved. Dividend equivalents on PSUs are accrued and paid in cash at the end of the performance period in accordance with the level of performance achieved but are subject to forfeiture until the underlying shares become vested. Participants do not have voting rights with respect to PSUs.

The Company recognizes stock-based compensation costs for PSUs based on the grant date fair value over the performance period of the awards. Estimated forfeitures are included in the determination of compensation costs. The current cost estimates represent the Company's forecasted performance against cumulative growth targets.

A summary of the Company's outstanding PSUs is presented below:

	PSUs	Weighted-Average Grant-Date Fair Value Per Share
Units outstanding at January 1, 2024	213,800	$ 16.53
PSUs granted during 2024 (at target)	79,800	14.19
PSUs earned during 2024	—	—
Performance adjustment [1]	(147,173)	16.14
Forfeitures [2]	(120,100)	15.23
Units outstanding at December 31, 2024	26,327	17.50
PSUs granted during 2025 (at target)	—	—
PSUs earned during 2025	—	—
Performance adjustment [1]	—	—
Forfeitures	(2,173)	14.19
Units outstanding at March 31, 2025	24,154	17.79

[1] Represents the change in PSUs issued based upon the attainment of performance goals established by the Company.
[2] Represents PSU forfeitures primarily related to the execution of the separation agreements with the former Chief Executive Officer and former Senior Vice President of Operations.

The following table shows the impact of PSU activity to the Company's financial results:

	Three Months Ended March 31,	
	2025	2024
PSU compensation expense	$ 17	$ 185
Income tax benefit	(4)	(42)
PSU compensation expense, net of income taxes	$ 13	$ 143

The cost estimates for PSU grants represent initial target awards until we can reasonably forecast the financial performance of each PSU award grant. At the end of the performance period, we will reflect a performance adjustment, which may be either an increase or decrease from the initial target awards. The actual number of shares to be issued at the end of the performance period will range from 0% to 200% of the initial target awards. During the year ended December 31, 2024, the previously recognized compensation expense related to the PSU awards granted during 2024 was reduced as a result of a performance adjustment, and the compensation expense related to the PSU awards granted during 2023 was eliminated due to the Company's expectation that the threshold performance goal will not be met.

At March 31, 2025, there was $207 of unrecognized compensation cost related to outstanding PSUs. That cost is expected to be recognized over a weighted-average period of 1.91 years.

18. Allowance for Expected Credit Losses

Premiums Receivable

The following table presents the balances of premiums and agents' balances receivable, net of the allowance for expected credit losses as of March 31, 2025 and 2024, and the changes in the allowance for expected credit losses for the three months ended March 31, 2025 and 2024, for continuing and discontinued operations.

	As of and For the Three Months Ended March 31, 2025		As of and For the Three Months Ended March 31, 2024	
	Premiums and Agents' Balances Receivable, Net of Allowance for Expected Credit Losses	**Allowance for Expected Credit Losses**	**Premiums and Agents' Balances Receivable, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**
Continuing operations:				
Balance, beginning of period	$ 52,907	$ 337	$ 56,154	$ 394
Current period charge for expected credit losses		(44)		(119)
Write-offs of uncollectible premiums receivable		(61)		(59)
Balance, end of period	$ 49,220	$ 232	$ 59,979	$ 216

	As of and For the Three Months Ended March 31, 2025		As of and For the Three Months Ended March 31, 2024	
	Premiums and Agents' Balances Receivable, Net of Allowance for Expected Credit Losses	**Allowance for Expected Credit Losses**	**Premiums and Agents' Balances Receivable, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**
Discontinued operations:				
Balance, beginning of period	$ —	$ —	$ 17,904	$ 8
Current period charge for expected credit losses		—		2
Write-offs of uncollectible premiums receivable		—		(2)
Balance, end of period	$ —	$ —	$ 19,727	$ 8

19. Discontinued Operations

On May 7, 2024, we entered into a definitive agreement to sell our subsidiary, Westminster, to Scott Insurance Holdings, for a cash purchase price of $10,500, as well as a $1,772 post-closing adjustment pursuant to the purchase agreement, for a net amount of $12,272. The sale closed on June 30, 2024, and we reported an after-tax loss on the sale of discontinued operations of $11,148. For additional information see Part I, Item 1, Note 2 "Basis of Presentation and Accounting Policies" of this Form 10-Q.

The Company's Consolidated Statements of Cash Flows presents operating, investing, and financing cash flows of the discontinued operations separately. Summary operating results of discontinued operations were as follows for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Net premiums earned	$ —	$ 15,673
Fee and other income	—	7
Net investment income	—	798
Net investment gains (losses)	—	372
Total revenues	—	16,850
Expenses:		
Losses and loss adjustment expenses	—	12,065
Amortization of deferred policy acquisition costs	—	3,846
Other underwriting and general expenses	—	1,592
Total expenses	—	17,503
Loss before income taxes	—	(653)
Income tax benefit	—	(137)
Net loss	$ —	$ (516)
Loss per common share from discontinued operations:		
Basic	$ —	$ (0.02)
Diluted	$ —	$ (0.03)

20. Segment Information

We have five reportable operating segments of our continuing operations, which consist of Private Passenger Auto, Non-Standard Auto, Home and Farm, Crop, and All Other (which primarily consists of commercial, assumed reinsurance, and our excess liability business). Prior to the sale of Westminster on June 30, 2024, we also reported a Commercial segment that consisted primarily of Westminster's balances and results. Subsequent to the sale, Westminster is reported as part of discontinued operations, which is not included in our segment information. The commercial business that remains a part of our continuing operations has been included in the All Other segment for the current and prior periods presented. We operate only in the U.S., and no single customer or agent provides 10 percent or more of our revenues. The following tables provide available information of these segments for the three-months ended March 31, 2025 and 2024.

Our chief operating decision maker is our President and Chief Executive Officer ("CEO"). The primary profitability measurement used by the CEO to review segment operating results is underwriting gain (loss). The CEO uses segment underwriting gain (loss) to allocate resources (including employee, financial and capital resources) for each segment predominantly in the annual planning process. Segment underwriting gain (loss) is used to monitor segment results compared to prior period, forecasted results, and the annual plan. For purposes of evaluating profitability of the Non-Standard Auto segment, we combine the policy fees paid by the insured with the underwriting gain or loss as its primary profitability measure. As a result, these fees are allocated to the Non-Standard Auto segment (included in fee and other income) in the tables below. The remaining fee and other income amounts are not allocated to any segment.

We do not assign or allocate all line items in our Consolidated Statement of Operations or Consolidated Balance Sheets to our operating segments. Those line items include net investment income, net investment gains, fee and other income excluding Non-Standard Auto, and income tax expense within the Unaudited Consolidated Statement of Operations. For the Consolidated Balance Sheets, those items include cash and investments, property and equipment, other assets, accrued expenses and other liabilities, income taxes recoverable, and shareholders' equity.

	Three Months Ended March 31, 2025					
	Private Passenger Auto	Non-Standard Auto	Home and Farm	Crop	All Other	Total
Direct premiums earned	$ 23,828	$ 18,278	$ 26,511	$ (15)	$ 3,559	$ 72,161
Assumed premiums earned	—	—	—	—	39	39
Ceded premiums earned	(1,170)	(25)	(2,790)	(361)	(357)	(4,703)
Net premiums earned	22,658	18,253	23,721	(376)	3,241	67,497
Direct losses and loss adjustment expenses	13,498	14,538	9,932	129	2,282	40,379
Assumed losses and loss adjustment expenses	—	—	—	—	(233)	(233)
Ceded losses and loss adjustment expenses	(3)	—	(145)	(628)	(845)	(1,621)
Net losses and loss adjustment expenses	13,495	14,538	9,787	(499)	1,204	38,525
Gross margin	9,163	3,715	13,934	123	2,037	28,972
Amortization of deferred policy acquisition costs	4,486	6,324	5,037	24	657	16,528
Other underwriting and general expenses (1)	2,892	1,957	2,796	—	987	8,632
Underwriting and general expenses	7,378	8,281	7,833	24	1,644	25,160
Underwriting gain (loss)	1,785	(4,566)	6,101	99	393	3,812
Fee and other income		221				230
		(4,345)				
Net investment income						2,838
Net investment gains						869
Income before income taxes						7,749
Income tax expense						1,289
Net income						$ 6,460
Operating Ratios:						
Loss and loss adjustment expense ratio	59.6%	79.6%	41.3%	132.7%	37.1%	57.1%
Expense ratio	32.6%	45.4%	33.0%	(6.4)%	50.7%	37.3%
Combined ratio	92.2%	125.0%	74.3%	126.3%	87.8%	94.4%
Balances at March 31, 2025:						
Premiums and agents' balances receivable	$ 26,159	$ 9,676	$ 10,446	$ 30	$ 2,909	$ 49,220
Deferred policy acquisition costs	6,759	6,362	9,400	—	1,292	23,813
Reinsurance recoverables on losses	2,228	—	1,706	11	4,701	8,646
Receivable from Federal Crop Insurance Corporation	—	—	—	11,474	—	11,474
Goodwill and other intangibles	—	100	—	—	—	100
Unpaid losses and loss adjustment expenses	28,726	77,321	19,467	35	10,337	135,886
Unearned premiums	38,266	22,996	53,358	—	7,443	122,063

(1) Other underwriting and general expenses for each segment include expenses related to compensation, vendor services, and other administrative items.

	Three Months Ended March 31, 2024					
	Private Passenger Auto	Non-Standard Auto	Home and Farm	Crop	All Other	Total
Direct premiums earned	$ 23,225	$ 25,058	$ 24,245	$ (204)	$ 3,074	$ 75,398
Assumed premiums earned	—	—	—	—	151	151
Ceded premiums earned	(1,123)	(69)	(2,831)	(1,345)	(297)	(5,665)
Net premiums earned	22,102	24,989	21,414	(1,549)	2,928	69,884
Direct losses and loss adjustment expenses	11,409	16,869	12,782	(1,962)	2,421	41,519
Assumed losses and loss adjustment expenses	—	—	—	—	45	45
Ceded losses and loss adjustment expenses	(116)	—	(601)	405	(1,108)	(1,420)
Net losses and loss adjustment expenses	11,293	16,869	12,181	(1,557)	1,358	40,144
Gross margin	10,809	8,120	9,233	8	1,570	29,740
Amortization of deferred policy acquisition costs	4,038	8,288	3,960	16	515	16,817
Other underwriting and general expenses [1]	2,982	2,015	2,736	(18)	990	8,705
Underwriting and general expenses	7,020	10,303	6,696	(2)	1,505	25,522
Underwriting gain (loss)	3,789	(2,183)	2,537	10	65	4,218
Fee and other income		350				404
		(1,833)				
Net investment income						2,755
Net investment gains						1,456
Income before income taxes						8,833
Income tax expense						1,898
Net income						$ 6,935
Operating Ratios:						
Loss and loss adjustment expense ratio	51.1%	67.5%	56.9%	100.5%	46.4%	57.4%
Expense ratio	31.8%	41.2%	31.3%	0.1%	51.4%	36.5%
Combined ratio	82.9%	108.7%	88.2%	100.6%	97.8%	93.9%
Balances at March 31, 2024:						
Premiums and agents' balances receivable	$ 24,562	$ 22,720	$ 10,269	$ —	$ 2,428	$ 59,979
Deferred policy acquisition costs	6,295	12,978	8,621	—	1,054	28,948
Reinsurance recoverables on losses	88	—	2,970	33	3,255	6,346
Receivable from Federal Crop Insurance Corporation	—	—	—	13,913	—	13,913
Goodwill and other intangibles	—	2,728	—	—	—	2,728
Unpaid losses and loss adjustment expenses	25,610	65,228	20,124	92	9,477	120,531
Unearned premiums	36,095	42,641	48,751	—	6,240	133,727

(1) Other underwriting and general expenses for each segment include expenses related to compensation, vendor services, and other administrative items.

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to provide a more comprehensive review of our operating results and financial condition than can be obtained from reading the unaudited consolidated financial statements alone. Unless otherwise noted, the information in the following discussion is being presented for our continuing operations. This discussion should be read in conjunction with the unaudited consolidated financial statements and the notes thereto included in Part I, Item 1, "Financial Statements." Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-Q constitutes forward-looking statements that involve risks and uncertainties. Please see "Forward-Looking Statements" included elsewhere in this Form 10-Q. Part I, Item 1A, "Risk Factors" included in our 2024 Annual Report should also be reviewed for a discussion of important factors that could cause actual results to differ materially from the results described, or implied by, the forward-looking statements contained herein.

All dollar amounts included in Item 2 herein, except per share data, are in thousands.

Financial Highlights

2025 First Quarter Consolidated Results of Operations

- Net income of $6,460, or $0.31 per share basic and $0.31 per share diluted
- Net premiums earned of $67,497
- Net investment income of $2,838
- Net unfavorable prior year reserve development of $1,418
- Underwriting gain of $3,812
- Combined ratio of 94.4%
- Operating cash flows of $9,888

2025 First Quarter Consolidated Financial Condition

- Total cash and investments of $398,901
- Total assets of $525,364
- Unpaid losses and loss adjustment expenses of $135,886
- Total liabilities of $271,364
- Shareholders' equity of $254,000

Results of Continuing Operations

Our consolidated net income from continuing operations was $6,460 and $6,935 for the three months ended March 31, 2025 and 2024, respectively.

The major components of our revenues and net income for the two periods are shown below:

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Net premiums earned	$ 67,497	$ 69,884
Fee and other income	230	404
Net investment income	2,838	2,755
Net investment gains	869	1,456
Total revenues	$ 71,434	$ 74,499
Components of net income:		
Net premiums earned	$ 67,497	$ 69,884
Losses and loss adjustment expenses	38,525	40,144
Amortization of deferred policy acquisition costs and other underwriting and general expenses	25,160	25,522
Underwriting gain	3,812	4,218
Fee and other income	230	404
Net investment income	2,838	2,755
Net investment gains	869	1,456
Income from continuing operations before income taxes	7,749	8,833
Income tax expense	1,289	1,898
Net income from continuing operations	$ 6,460	$ 6,935

Net Premiums Earned

	Three Months Ended March 31,	
	2025	2024
Net premiums earned:		
Direct premium	$ 72,161	$ 75,398
Assumed premium	39	151
Ceded premium	(4,703)	(5,665)
Total net premiums earned	$ 67,497	$ 69,884

Net premiums earned for the three months ended March 31, 2025, decreased $2,387, or 3.4%, compared to the three months ended March 31, 2024.

	Three Months Ended March 31,	
	2025	2024
Net premiums earned:		
Private Passenger Auto	$ 22,658	$ 22,102
Non-Standard Auto	18,253	24,989
Home and Farm	23,721	21,414
Crop	(376)	(1,549)
All Other	3,241	2,928
Total net premiums earned	$ 67,497	$ 69,884

Below are comments regarding significant changes in net premiums earned by business segment:

Private Passenger Auto **–** Net premiums earned for the three months ended March 31, 2025, increased $556, or 2.5%, compared to the same period in 2024. Results were driven by new business growth in North Dakota as well as significant rate increases in South Dakota, and Nebraska, partially offset by lower new business and retention levels in South Dakota and Nebraska as a result of underwriting actions taken.

Non-Standard Auto **–** Net premiums earned for the three months ended March 31, 2025, decreased $6,736, or 27.0%, compared to the same period in 2024. This decrease was driven by strategic decisions to exit Nevada and significantly reduce written premium in the Chicago market in recent periods to improve profitability. We anticipate that this strategic shift away from Nevada and Chicago will result in a continued reduction of net premiums earned for Non-Standard Auto in the near term.

Home and Farm **–** Net premiums earned for the three months ended March 31, 2025, increased $2,307, or 10.8%, compared to the same period in 2024. Results were driven by new business growth in North Dakota, rate increases, and increased insured property values. These increases were partially offset by lower retention rates and new business levels in Nebraska as a result of underwriting actions taken to improve profitability.

Crop **–** Net premiums earned for the first quarter of any year are typically the result of prior crop year premium adjustments that correspond to the current year settlement of prior crop year claims. The majority of crop insurance premiums are generally written in the second quarter and earned ratably over the remainder of the calendar year.

All Other **–** Net premiums earned for the three months ended March 31, 2025, increased $313, or 10.7%, compared to the same period in 2024 primarily driven by rate increases for the North Dakota commercial lines of business.

Losses and Loss Adjustment Expenses

	Three Months Ended March 31,	
	2025	**2024**
Net losses and loss adjustment expenses:		
Direct losses and loss adjustment expenses	$ 40,379	$ 41,519
Assumed losses and loss adjustment expenses	(233)	45
Ceded losses and loss adjustment expenses	(1,621)	(1,420)
Total net losses and loss adjustment expenses	$ 38,525	$ 40,144

Our net losses and loss adjustment expenses for the three months ended March 31, 2025, decreased $1,619, or 4.0%, compared to the three months ended March 31, 2024.

	Three Months Ended March 31,	
	2025	**2024**
Net losses and loss adjustment expenses:		
Private Passenger Auto	$ 13,495	$ 11,293
Non-Standard Auto	14,538	16,869
Home and Farm	9,787	12,181
Crop	(499)	(1,557)
All Other	1,204	1,358
Total net losses and loss adjustment expenses	$ 38,525	$ 40,144

	Three Months Ended March 31,	
	2025	**2024**
Loss and loss adjustment expense ratio:		
Private Passenger Auto	59.6%	51.1%
Non-Standard Auto	79.6%	67.5%
Home and Farm	41.3%	56.9%
Crop	132.7%	100.5%
All Other	37.1%	46.4%
Total loss and loss adjustment expense ratio	57.1%	57.4%

Below are comments regarding significant changes in the net losses and loss adjustment expenses, and the net loss and loss adjustment expense ratios, by business segment:

Private Passenger Auto – The net loss and loss adjustment expense ratio increased 8.5 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. This increase was driven by unfavorable prior year development on loss reserves in the current year quarter due to higher severity.

Non-Standard Auto – The net loss and loss adjustment expense ratio increased 12.1 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. This increase was primarily driven by significant strategic reductions in net earned premium and unfavorable prior year development on liability loss reserves in the current year quarter.

Home and Farm – The net loss and loss adjustment expense ratio decreased 15.6 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. This decrease was driven by earned premium growth as well as lower frequency of large farm losses in the current quarter compared to the first quarter of 2024.

Crop – The net losses and loss adjustment expenses during the first quarter of any year are typically the result of the current year settlement of prior crop year claims. The majority of crop insurance losses and loss adjustment expenses are generally incurred in the last three quarters of the calendar year.

All Other – The net loss and loss adjustment expense ratio decreased 9.3 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. This decrease was driven by favorable loss development related to the continued run-off of our participation in an assumed domestic and international reinsurance pool of business.

Underwriting and General Expenses and Expense Ratio

	Three Months Ended March 31,	
	2025	2024
Underwriting and general expenses:		
Amortization of deferred policy acquisition costs	$ 16,528	$ 16,817
Other underwriting and general expenses	8,632	8,705
Total underwriting and general expenses	25,160	25,522
Expense ratio	37.3%	36.5%

The expense ratio is calculated by dividing other underwriting and general expenses and amortization of deferred policy acquisition costs by net premiums earned. The expense ratio measures a company's operational efficiency in producing, underwriting, and administering its insurance business. The overall expense ratio increased 0.8 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. The increase was driven by generally consistent expenses compared to lower net premiums earned in the current quarter as a result of the strategic reduction of written premium in our Non-Standard Auto segment.

Underwriting Gain (Loss) and Combined Ratio

	Three Months Ended March 31,	
	2025	2024
Underwriting gain (loss):		
Private Passenger Auto	$ 1,785	$ 3,789
Non-Standard Auto	(4,566)	(2,183)
Home and Farm	6,101	2,537
Crop	99	10
All Other	393	65
Total underwriting gain (loss)	$ 3,812	$ 4,218

	Three Months Ended March 31,	
	2025	2024
Combined ratio:		
Private Passenger Auto	92.2%	82.9%
Non-Standard Auto	125.0%	108.7%
Home and Farm	74.3%	88.2%
Crop	126.3%	100.6%
All Other	87.8%	97.8%
Combined ratio	94.4%	93.9%

Underwriting gain (loss) measures the pre-tax profitability of our insurance operations. It is derived by subtracting losses and loss adjustment expenses, amortization of deferred policy acquisition costs, and other underwriting and general expenses from net premiums earned. The combined ratio represents the sum of these losses and expenses as a percentage of net premiums earned and measures our overall underwriting profit.

The total underwriting gain decreased $406 to a gain of $3,812 for the three-month period ended March 31, 2025, from a gain of $4,218 for the three-month period ended March 31, 2024. These results were driven by the factors discussed in the Loss and Loss Adjustment Expenses the Underwriting and General Expenses and Expense Ratio sections above.

The overall combined ratio increased 0.5 percentage points in the three-month period ended March 31, 2025, compared to the same period in 2024. These results were driven by the factors discussed in the Loss and Loss Adjustment Expenses and the Underwriting and General Expenses and Expense Ratio sections above.

Fee and Other Income

We had fee and other income of $230 for the three months ended March 31, 2025, compared to $404 for the three months ended March 31, 2024. Fee income is largely attributable to the Non-Standard Auto segment and is a key component in measuring its profitability. Fee and other income on this business decreased to $221 for the three months ended March 31, 2025, from $350 for the three months ended March 31, 2024, driven by the strategic reduction in written premium within this segment.

Net Investment Income

The following table shows our average cash and invested assets, net investment income, and return on average cash and invested assets for the reported periods:

	Three Months Ended March 31,	
	2025	**2024**
Average cash and invested assets	$ 391,998	$ 358,634
Net investment income	$ 2,838	$ 2,755
Gross return on average cash and invested assets	3.9%	4.1%
Net return on average cash and invested assets	2.9%	3.1%

Net investment income increased $83 for the three months ended March 31, 2025, compared to the three months ended March 31, 2024. This increase was primarily driven by earning relatively consistent yields on a higher average invested assets, partially offset by higher investment expenses.

Gross and net return on average cash and invested assets decreased year-over-year, primarily driven by lower returns on high dividend yield equities as well as cash and other short-term investments, partially offset by higher returns on the average fixed income securities balance (measured at fair value). The increase in average cash and invested assets was driven by increases in cash and investments from the generation of positive operating cash flows during 2024 and the first quarter of 2025.

Net Investment Gains (Losses)

Net investment gains (losses) consisted of the following:

	Three Months Ended March 31,	
	2025	**2024**
Gross realized gains	$ 503	$ 199
Gross realized losses, excluding credit impairment losses	(177)	(290)
Net realized gains (losses)	326	(91)
Change in net unrealized gains on equity securities	543	1,547
Net investment gains	$ 869	$ 1,456

We had net realized gains of $326 for the three months ended March 31, 2025, compared to net realized losses of $91 for the three months ended March 31, 2024, which were the result of routine portfolio management decisions. No credit impairment losses were reported during any of the periods presented.

We experienced an increase in net unrealized gains on equity securities of $543 and $1,547 during the three months ended March 31, 2025 and 2024, respectively, driven by the impact of changes in fair value attributable to favorable equity markets during these periods.

Our fixed income securities are classified as available for sale because we will, from time to time, execute sales of securities that are not impaired, consistent with our investment goals and policies. The fixed income portion of the portfolio experienced net unrealized gains of $3,313 during the three months ended March 31, 2025, compared to net unrealized losses of $1,531 during the three months ended March 31, 2024. The change was primarily the result of changes in U.S. interest rates. The change in the fair value of fixed income securities is not reflected in net income; rather it is reflected as a separate component (net of income taxes) of other comprehensive income.

Income before Income Taxes

For the three months ended March 31, 2025, we had pre-tax income of $7,749 compared to a pre-tax income of $8,833 for the three months ended March 31, 2024. This change was attributable to the higher underwriting loss in the Non-Standard Auto segment, and less favorable market conditions for equity investments, partially offset by earned premium growth in our other segments, higher net investment income, and lower frequency of large loss experience in the Home and Farm segment.

Income Tax Expense

We recorded income tax expense of $1,289 for the three months ended March 31, 2025, compared to income tax expense of $1,898 for the three months ended March 31, 2024. Our effective tax rate for the first quarter of 2025 was 16.6% compared to an effective tax rate of 21.5% for the first quarter of 2024. The current quarter effective tax rate was impacted by a change in our valuation allowance against deferred income tax assets.

Net Income

For the three months ended March 31, 2025, we had net income of $6,460 compared to net income of $6,935 for the three months ended March 31, 2024. This change was attributable to the higher underwriting loss in the Non-Standard Auto segment, and less favorable market conditions for equity investments, partially offset by earned premium growth in our other segments, higher net investment income, and lower frequency of large loss experience in the Home and Farm segment, and reductions in income tax expense.

Return on Average Equity

For the three months ended March 31, 2025, we had annualized return on average equity of 10.4% compared to 12.1% for the three months ended March 31, 2024.

Average equity is calculated as the average between beginning and ending equity for the period.

Critical Accounting Policies

The preparation of financial statements in accordance with GAAP requires both the use of estimates and judgment relative to the application of appropriate accounting policies. We are required to make estimates and assumptions in certain circumstances that affect amounts reported in the unaudited consolidated financial statements and related footnotes. We evaluate these estimates and assumptions on an ongoing basis based on historical developments, market conditions, industry trends, and other information that we believe to be reasonable under the circumstances. There can be no assurance that actual results will conform to these estimates and assumptions or that reported results of operations will not be materially and adversely affected by the need to make accounting adjustments to reflect changes in these estimates and assumptions from time to time. Our critical accounting policies are more fully described in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" presented in our 2024 Annual Report. There have been no changes in our critical accounting policies from December 31, 2024.

Liquidity and Capital Resources

We expect to generate sufficient funds from our operations and maintain a high degree of liquidity in our investment portfolio to meet the demands of claim settlements and operating expenses for the foreseeable future. Our primary sources of funds are premium collections, investment earnings, and fixed income maturities.

We also have a $3,000 line of credit with Wells Fargo Bank, N.A. The terms of the line of credit include a floating interest rate of 2.50% above the daily simple secured overnight financing rate. There were no outstanding amounts during the three months ended March 31, 2025, or the year ended December 31, 2024. This line of credit is scheduled to expire on December 13, 2025.

The change in cash and cash equivalents for continuing and discontinued operations for the three months ended March 31, 2025 and 2024, were as follows:

	Three Months Ended March 31,	
	2025	2024
Net cash flows from operating activities	$ 9,888	$ 16,663
Net cash flows from investing activities	(3,459)	(4,143)
Net cash flows from financing activities	(157)	(178)
Net increase in cash and cash equivalents	$ 6,272	$ 12,342

For the three months ended March 31, 2025, net cash provided by operating activities totaled $9,888 compared to $16,663 in the prior year quarter. This change was primarily driven by lower levels of cash received for premiums in the current year quarter and positive cash flows from discontinued operations in the prior year quarter, partially offset by lower levels of loss and loss adjustment expense payments in the current year quarter.

For the three months ended March 31, 2025, net cash used by investing activities totaled $3,459 compared to $4,143 in the prior year quarter. The relatively consistent cash outflows in the current year quarter compared to the prior year quarter were attributable to the investment of excess cash from operations.

For the three months ended March 31, 2025, net cash used by financing activities totaled $157 compared to $178 a year ago. This decrease in cash used was attributable to a reduction in the issuance of vested award shares in the current year quarter.

As a holding company, a principal source of long-term liquidity will be dividend payments from our directly-owned subsidiaries.

Nodak Insurance is restricted by the insurance laws of North Dakota as to the amount of dividends or other distributions it may pay to NI Holdings. North Dakota law sets the maximum amount of dividends that may be paid by Nodak Insurance during any twelve-month period after notice to, but without prior approval of, the North Dakota Insurance Department. This amount cannot exceed the lesser of (i) 10% of the Company’s surplus as regards policyholders as of the preceding December 31, or (ii) the Company’s statutory net income for the preceding calendar year (excluding realized investment gains), less any prior dividends paid during such twelve-month period. In addition, any insurance company other than a life insurance company may carry forward net income from the preceding two calendar years, not including realized investment gains, less any dividends actually paid during those two calendar years. Dividends in excess of this amount are considered “extraordinary” and are subject to the approval of the North Dakota Insurance Department.

The amount available for payment of dividends from Nodak Insurance to NI Holdings during 2025 without the prior approval of the North Dakota Insurance Department is approximately $8,273 as of December 31, 2024. No dividends were declared or paid by Nodak Insurance during the three months ended March 31, 2025, or the year ended December 31, 2024.

The amount available for payment of dividends from Direct Auto to NI Holdings during 2025 without the prior approval of the North Dakota Insurance Department is approximately $3,146 as of December 31, 2024. No dividends were declared or paid by Direct Auto during the three months ended March 31, 2025, or the year ended December 31, 2024.

Prior to the payment of any dividend, we will be required to provide notice of the dividend to the North Dakota Insurance Department. This notice must be provided to the North Dakota Insurance Department 30 days prior to the payment of an extraordinary dividend and 10 days prior to the payment of an ordinary dividend. The North Dakota Insurance Department has the power to limit or prohibit dividend payments if an insurance company is in violation of any law or regulation. These restrictions or any subsequently imposed restrictions may affect our future liquidity.

Westminster was sold on June 30, 2024, and therefore no dividends are available to be paid to NI Holdings subsequent to that date. No dividends were declared or paid by Westminster during the year ended December 31, 2024. See Part I, Item 1, Note 19 “Discontinued Operations” of this Form 10-Q for additional information.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company's assessment of market risk as of March 31, 2025, indicates there have been no material changes in the quantitative and qualitative disclosures from those in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our 2024 Annual Report.

Item 4. - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, were designed and functioning effectively to provide reasonable assurance that the information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission ("SEC"), and that such material information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosures. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

In the ordinary course of business, we periodically review our system of internal control over financial reporting to identify opportunities to improve our controls and increase efficiency, while ensuring that we maintain an effective internal control environment. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. -

OTHER INFORMATION

Item 1. - Legal Proceedings

We are party to litigation in the normal course of business. Based upon information presently available to us, we do not consider any litigation to be material. However, given the inherent uncertainties of litigation, we cannot assure you that our results of operations and financial condition will not be materially adversely affected by any litigation.

Item 1A. - Risk Factors

There have been no material changes in our assessment of our risk factors from those set forth in Part I, Item 1A, “Risk Factors” in our 2024 Annual Report, except as indicated below:

Trade policies, including tariffs, could adversely impact our financial condition and operating results.

We maintain reserves to cover estimated unpaid losses and expenses necessary to settle claims. The reserves for losses and loss adjustment expenses that we have established are estimates of amounts needed to pay reported and unreported claims and related expenses, based on facts and circumstances known to us at the time we established the reserves. Reserves are actuarially projected based on historical claims information, industry statistics, anticipated trends, and other factors. Changes in U.S. trade policy, including recently announced tariffs, could have a material adverse impact on our business, financial condition, and results of operations. The imposition of new tariffs or increases in existing tariffs on goods imported from other countries could result in increased costs for raw materials, components, or finished goods and adversely impact loss severity. In addition, tariffs or other trade restrictions may lead to continuing uncertainty and volatility in U.S. and global financial and economic conditions and commodity markets, declining consumer confidence, significant inflation, and diminished expectations for the economy. Such conditions could have a material adverse impact on our business, results of operations and cash flows. We are unable to predict the ultimate result and duration of any tariff actions by the U.S. government or countermeasures that may be taken by other nations.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds

All dollar amounts included in Item 2 herein, except per share data, are in thousands.

The Company has not sold any unregistered securities within the past three years.

From time to time, the Company may repurchase its own stock. To date, the Company has used the net proceeds from the IPO to fund these share repurchases.

On May 9, 2022, our Board of Directors approved an authorization for the repurchase of up to approximately $10,000 of the Company's outstanding common stock. During the year ended December 31, 2022, we completed the repurchase of 54,223 shares of our common stock for $734 under this authorization. During the year ended December 31, 2023, we repurchased an additional 548,549 shares of our common stock for $7,278, including the effect from applicable excise taxes. During the year ended December 31, 2024, or the three months ended March 31, 2025, we did not repurchase any shares of our common stock. At March 31, 2025, $2,052 remains available under this authorization.

Share repurchase activity during the three months ended March 31, 2025, is presented below:

Period in 2025	Total Number of Shares Purchased	Average Price Paid Per Share(3)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (2) (in thousands)
January 1 – 31, 2025	—	$ —	—	$ 2,052
February 1 – 28, 2025	—	—	—	2,052
March 1 – 31, 2025	—	—	—	2,052
Total	—	$ —	—	$ 2,052

(1) Shares purchased pursuant to the May 9, 2022, publicly announced share repurchase authorization of up to approximately $10,000 of the Company's outstanding common stock.

(2) Maximum dollar value of shares that may yet be purchased consist of up to approximately $2,052 under the May 9, 2022, publicly announced share repurchase authorization.

(3) The Inflation Reduction Act of 2022 imposed a 1% excise tax on the net value of certain share repurchases made after December 31, 2022. All dollar amounts presented exclude such excise taxes, as applicable.

Item 3. - Defaults upon Senior Securities

Not Applicable

Item 4. - Mine Safety Disclosures

Not Applicable

Item 5. - Other Information

10b5-1 Trading Plans
During the first quarter of 2025, none of our directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K).

Item 6. - Exhibits

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.1*#	Amended and Restated Employment Agreement dated as of March 1, 2025, between Matthew J. Maki and Nodak Insurance Company and NI Holdings, Inc.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS***	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH**	Inline XBRL Taxonomy Extension Schema Linkbase Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

*** Inline XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 9, 2025.

NI HOLDINGS, INC.

/s/ Seth C. Daggett

Seth C. Daggett
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Matthew J. Maki

Matthew J. Maki
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made effective as of the 1st day of March, 2025 (the “*Effective Date*”), between NI Holdings, Inc., a North Dakota business corporation, (the “*Corporation*”), NODAK Insurance Company, a North Dakota insurance company (the “*Company*”), and Matt Maki, an adult individual (“*Executive*”).

WITNESSETH:

WHEREAS, the Corporation, the Company, and Executive desire to enter into an agreement providing for the terms of Executive’s continued employment with the Corporation and the Company.

AGREEMENT

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. **Employment**. The Corporation and the Company employ Executive and Executive hereby accepts employment with the Corporation and the Company, on the terms and conditions set forth in this Agreement.

2. **Duties of Employee**. Executive shall serve as Chief Financial Officer of the Corporation and the Company and shall report directly to the Chief Executive Officer of the Corporation and the Company. Executive shall devote his full time, attention and energies to the business of the Corporation and the Company during the Employment Period (as defined in Section 3 of this Agreement); provided, however, that this Section 2 shall not be construed as preventing Executive from (a) engaging in activities incident or necessary to personal investments, (b) acting as a member of the board of directors of any non-profit association or corporation, or (c) being involved in any other business activity with the prior approval of the Board of Directors of the Corporation (the “*Corporation Board*”). Executive shall not engage in any business or commercial activities, duties or pursuits which compete with the business or commercial activities of the Corporation or the Company, nor may Executive serve as a director or officer or in any other capacity in a company which competes with the Corporation or the Company.

3. **Term of Agreement.**

(a) Employment Period. This Agreement shall be for a period (the “*Employment Period*”) beginning on the Effective Date, and if not previously terminated pursuant to the terms of this Agreement, continuing until the first anniversary hereof; provided, however, that on a daily basis, one additional day shall be added to the term of this Agreement, so that the Employment Period shall always be one (1) year, unless either the Executive or the Corporation shall have provided the other with written notice of its intention to cease extending the term of this Agreement.

(b) Notwithstanding anything herein contained to the contrary, nothing in this Agreement shall mandate or prohibit a continuation of Executive’s employment following the expiration of the term of this Agreement upon such terms as the Corporation Board and Executive may mutually agree.

(c) Termination for Cause. Notwithstanding the provisions of Section 3(a) of this Agreement, this Agreement may be terminated by the Corporation and the Company for Cause (as defined herein). As used in this Agreement, “*Cause*” shall mean any of the following:

(i) Executive willfully fails or refuses to substantially perform the Executive’s responsibilities under this Agreement, after demand for substantial performance has been given by the Corporation Board that specifically identifies how the Executive has failed to perform such responsibilities;

(ii) Executive engages in gross misconduct which is materially and demonstrably injurious to the Corporation or the Company;

(iii) Executive violates any of the Corporation’s or Company’s policies relating to sexual harassment;

(iv) Executive is convicted of a felony or pleads guilty or *nolo contendere* to a felony;

(v) Executive materially breaches Section 6 of this Agreement;

(vi) Executive engages in any act of fraud (including misappropriation of the Corporation's or the Company's funds or property) in connection with the business of the Corporation or the Company which is materially and demonstrably injurious to the Corporation or the Company; or

(vii) Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement.

If this Agreement is terminated for Cause, all of Executive's rights under this Agreement shall cease as of the effective date of such termination, except that:

(i) the Company shall pay to Executive the unpaid portion, if any, of his Annual Base Salary through the date of termination; and

(ii) the Company shall provide to Executive such post-employment benefits, if any, as may be provided for under the terms of the employee benefit plans of the Company then in effect.

(d) Death. Notwithstanding the provisions of Section 3(a) of this Agreement, this Agreement shall terminate automatically upon Executive's death and Executive's rights under this Agreement shall cease as of the date of such termination, except that (i) the Company shall pay to Executive's spouse, personal representative, or estate the unpaid portion, if any, of his Annual Base Salary through date of death and (ii) the Company shall provide to Executive's dependents any benefits due under the Company's employee benefit plans.

(e) Disability. Executive, the Corporation and the Company agree that if Executive becomes Disabled, within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "*Code*") and the regulations thereunder, and becomes eligible for employer-provided short-term and/or long-term disability benefits, or worker's compensation benefits, then the Company's obligation to pay Executive his Annual Base Salary shall be reduced by the amount of the disability or worker's compensation benefits received by Executive.

Executive, the Corporation and the Company agree that if, in the judgment of the Corporation Board, Executive is unable, as a result of illness or injury, to perform the essential functions of his position on a full-time basis with or without a reasonable accommodation and without posing a direct threat to himself or others for a period of six months, the Company will suffer an undue hardship in continuing Executive's employment as set forth in this Agreement. Accordingly, this Agreement shall terminate at the end of the six-month period, and all of Executive's rights under this Agreement shall cease, with the exception of any unpaid Annual Base Salary through the date of termination and those rights which Executive may have under the Company's employee benefit plans.

(f) Resignation from Other Positions. In the event Executive's employment under this Agreement is terminated for any reason, if Executive is then serving in any other capacity, such as an officer or director for any of the Corporation, the Company or any their respective affiliates or subsidiaries, such service shall also be deemed to immediately terminate and Executive shall be deemed to have resigned from all such other positions.

4. **Employment Period Compensation, Benefits and Expenses.**

(a) Annual Base Salary. For services performed by Executive under this Agreement, the Company shall pay Executive an annual base salary during the Employment Period at the rate of $435,000 per year, minus applicable withholdings and deductions, payable at the same times as salaries are payable to other executive employees of the Company (the "*Annual Base Salary*"). The Annual Base Salary shall be reviewed annually by the Corporation Board and the Corporation Board may, from time to time, increase Executive's Annual Base Salary, and any and all such increases shall be deemed to constitute amendments to this Section 4(a) to reflect the increased amounts, effective as of the date established for such increases.

(b) Bonus. The Executive shall participate in any equity incentive plan and short-term performance plan generally made available to executive officers of the Company.

(c) Vacations, Holidays, etc. During the term of this Agreement, Executive shall be entitled to paid annual vacation in accordance with the policies as established from time to time by the Company. Executive shall also be entitled to all paid holidays, sick days and personal days provided by the Company to its regular full-time employees and senior executive officers.

(d) Employee Benefit Plans. During the term of this Agreement, Executive shall be entitled to participate in or receive the benefits of any employee benefit plan currently in effect at the Company, subject to the eligibility and terms of each such plan, until such time that the Company authorizes a change in such benefits.

(e) Business Expenses. During the term of this Agreement, Executive shall be entitled to receive prompt reimbursement for all customary and usual expenses incurred by him, which are properly accounted for, in accordance with the policies and procedures established by the Company.

5. **Rights in Event of Termination of Employment.**

(a) If Executive terminates his employment with the Company without Good Reason (as defined below), Executive's rights under this Agreement shall cease as of the date of such termination, except that (i) the Company shall pay to Executive the unpaid portion, if any, of his Annual Base Salary through date of termination, and (ii) the Company shall provide to Executive's dependents any benefits due under the Company's employee benefit plans then in effect.

(b) If Executive's employment is involuntarily terminated by the Corporation and the Company without Cause (other than for death or Disability), or the Executive voluntarily terminates employment for Good Reason (as defined below), Executive shall be entitled to receive the compensation and benefits set forth below:

(i) Executive shall be entitled to receive an amount equal to (A) his Annual Base Salary plus (B) the target short-term incentive bonus for the year in which he is involuntarily terminated without Cause (other than for death or Disability), or the Executive voluntarily terminates employment for Good Reason. Such annual amount shall be multiplied by the number of full calendar months remaining in the Employment Period divided by twelve (12). The resulting amount shall be paid by the Company in one lump sum following Executive's execution of the release (provided such release is not rescinded) described in Section 7.

(ii) Also, in such event, Executive shall, for the remaining Employment Period, continue to participate in any benefit plans of the Company that provide health (including medical and dental) coverage, upon terms no less favorable than the most favorable terms provided to senior executives of the Company during such period. In the event that the Company is unable to provide such coverage by reason of Executive no longer being an employee, the Company shall provide Executive an amount equal to the total after-tax cost to Employee, for each month that is then remaining in the Employment Period, of obtaining such coverage.

(c) "*Good Reason*" shall mean (i) a material diminution in salary, (ii) a material diminution in authority, duties or responsibilities, (iii) a reassignment which assigns full-time employment duties to Executive at a location more than twenty (20) miles from the Company's principal executive office on the date of this Agreement, in all cases after notice from Executive to the Company within ninety (90) days after the initial existence of any such condition that the condition constitutes Good Reason and the failure of the Company to cure such situation within thirty (30) days after said notice, or (iv) a change in Executive's title accompanied by any of the circumstances described in clauses (i), (ii) or (iii) above.

(d) Executive shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of payment or the benefit provided for in this Section 5 be reduced by any compensation earned by Executive as the result of employment by another employer or by reason of Executive's receipt of or right to receive any retirement or other benefits after the date of termination of employment or otherwise,

6. **Unauthorized Disclosure**. During the term of his employment hereunder, or at any later time, Executive shall not, without the written consent of the Corporation Board or a person authorized thereby (except as may be required pursuant to a subpoena or other legal process), knowingly disclose to any person, other than an employee of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Executive of his duties as an executive of the Company, any material confidential information obtained by him while in the employ of the Company with respect to any of the Company's, the Corporation's or any of their subsidiaries' services, products, improvements, formulas, designs or styles, processes, customers, methods of business or any business practices the disclosure of which could be or will be damaging to the Company or the Corporation; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Executive or any person with the assistance, consent or direction of Executive) or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or any information that must be disclosed as required by law.

7. **Requirement of Release**. Notwithstanding anything herein to the contrary, Executive's entitlement to any payments under Section 5 shall be contingent upon Executive's prior agreement with and signature to a complete release agreement in the form as mutually agreed by the parties, which release is not rescinded by Executive. Such release agreement shall be executed, if at all, and the applicable payments and benefits contingent upon the execution of such agreement shall be provided or commence being provided, if at all, within sixty (60) days following the date of termination; provided, however, that if such sixty (60) day period begins in one taxable year and ends in a second taxable year, the payments and benefits will be provided or commence being provided, if at all, in the second taxable year.

8. **Notices**. Except as otherwise provided in this Agreement, any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by United States registered or certified mail, postage prepaid with return receipt requested, to Executive's address, in the case of notices to Executive, and to the principal executive office of the Company, in the case of notice to the Company.

9. **Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and an executive officer of the Corporation and the Company specifically designated by the respective Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

10. **Assignment**. This Agreement shall not be assignable by any party, except by the Company to any successor in interest to its business.

11. **Entire Agreement**. This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes and replaces any prior written or oral agreements between them respecting the within subject matter.

12. **Successors; Binding Agreement.**

(a) The Corporation and the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Corporation or the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation and Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Corporation" and "Company" shall mean the Corporation and the Company as defined previously and any successor to their respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(b) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees or legatees. If Executive should die following termination of Executive's employment without Cause, and any amounts would be payable to Executive under this Agreement if Executive had continued to live, all such amounts shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee, or, if there is no such designee, to Executive's estate.

13. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota, without regard to its conflict of laws principles.

15. **Headings**. The section headings of this Agreement are for convenience only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

16. **Limitations on Payments.**

(a) Notwithstanding anything in this Agreement to the contrary, in the event the payments and benefits payable hereunder to or on behalf of Executive, when added to all other amounts and benefits payable to or on behalf of Executive, would result in the imposition of an excise tax under Section 4999 of the Code, the amounts and benefits payable hereunder shall be reduced to such extent as may be necessary to avoid such imposition. All calculations required to be made under this subsection will be made by the Company's independent public accountants, subject to the right of Executive's representative to review the same. The parties recognize that the actual implementation of the provisions of this subsection are complex and agree to deal with each other in good faith to resolve any questions or disagreements arising hereunder.

(b) All payments made to the Executive pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with applicable laws and any regulations promulgated thereunder.

17. **Recovery of Bonuses and Incentive Compensation**. Notwithstanding anything in this Agreement to the contrary, all bonuses and incentive compensation, but not Annual Base Salary or payments due Executive under Section 5, paid hereunder (whether in equity or in cash) shall be subject to recovery by the Corporation in the event that such bonuses or incentive compensation are based on materially inaccurate financial statements or other materially inaccurate performance metric criteria; provided that except as set forth in the next sentence, a determination as to the recovery of a bonus or incentive compensation shall be made within twenty-four (24) months following the date such bonus or incentive compensation was paid. Notwithstanding anything to the contrary herein, all compensation payable to Executive shall be subject to any policy adopted by the Corporation designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended, related rules and the listing standards of The Nasdaq Stock Market, including, but not limited to, the Corporation's Incentive Compensation Recovery Policy, originally adopted on December 1, 2023. In the event that the Corporation Board determines that a bonus or incentive compensation payment to Executive is recoverable, in its sole discretion, Executive shall reimburse all or a portion of such bonus or incentive compensation, to the fullest extent permitted by law, as soon as practicable following written notice to Executive by the Corporation of the same.

18. **Application of Code Section 409A.**

(a) Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of employment shall be subject to satisfaction of the condition precedent that Executive undergo a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto. In addition, if Executive is deemed to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provisions of any benefit that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment or benefit shall not be made or provided prior to the earlier of (i) the expiration of the six (6) month period measured from the date of Executive's "separation from service" (as such term is defined in Treas. Reg. § 1.409A-1(h)), or (ii) the date of Executive's death (the "*Delay Period*"). Within ten (10) days following the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to Executive that would not be required to be delayed if the premiums therefore were paid by Executive, Executive shall pay the full costs of premiums for such welfare benefits during the Delay Period and the Company shall pay Executive an amount equal to the amount of such premiums paid by Executive during the Delay Period within ten (10) days after the conclusion of such Delay Period.

(b) Except as otherwise expressly provided herein, to the extent any expense reimbursement or other in-kind benefit is determined to be subject to Code Section 409A, the amount of any such expenses eligible for reimbursement or in-kind benefits in one calendar year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year (except under any lifetime limit applicable to expenses for medical care), in no event shall any expenses be reimbursed or in-kind benefits be provided after the last day of the calendar year following the calendar year in which Executive incurred such expenses or received such benefits, and in no event shall any right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

(c) Any payments made pursuant to Section 5, to the extent of payments made from the date of termination through March 15th of the calendar year following such date, are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) and thus payable pursuant to the "short-term deferral" rule set forth in Treas. Reg. §1.409A-1(b)(4); to the extent such payments are made following said March 15th, they are intended to constitute separate payments for purposes of Treas. Reg. §1.409A-2(b)(2) made upon an involuntary termination from service and payable pursuant to Treas. Reg. §1.409A-1(b)(9)(iii), to the maximum extent permitted by said provision.

(d) To the extent it is determined that any benefits described in Section 5(a)(ii) are taxable to Executive, they are intended to be payable pursuant to Treas. Reg. §1.409A-1(b)(9)(v), to the maximum extent permitted by said provision.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

NODAK INSURANCE COMPANY

By: /s/ Seth C. Daggett

Name: Seth C. Daggett

Title: President and Chief Executive Officer

NI HOLDINGS, INC.

By: /s/ Seth C. Daggett

Name: Seth C. Daggett

Title: President and Chief Executive Officer

MATT MAKI

/s/ Matthew J. Maki

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Seth C. Daggett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NI Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

May 9, 2025

/s/ Seth C. Daggett
Seth C. Daggett
President and Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Matthew J. Maki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NI Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 9, 2025

/s/ Matthew J. Maki
Matthew J. Maki
Chief Financial Officer
(*Principal Financial Officer*)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of NI Holdings, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Seth C. Daggett, President and Chief Executive Officer, and Matthew J. Maki, Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 9, 2025

/s/ Seth C. Daggett
Seth C. Daggett
President and Chief Executive Officer
(*Principal Executive Officer*)

May 9, 2025

/s/ Matthew J. Maki
Matthew J. Maki
Chief Financial Officer
(*Principal Financial Officer*)