



2025

Investor Day

March 20, 2025

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PALOMAR HOLDINGS INVESTOR DAY 2025

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Palomar's Leadership

PALOMAR INVESTOR DAY 2025

<p>Mac Armstrong Chief Executive Officer</p> 	<p>Jon Christianson President</p> 	<p>Chris Uchida Chief Financial Officer</p> 	<p>Robert Beyerle Chief Underwriting Officer</p> 	<p>Tim Carter Chief People Officer</p> 
<p>Althea Garvey Chief Claims Officer</p> 	<p>Angela Grant Chief Legal Officer Corporate Secretary</p> 	<p>Ethan Genteman Chief Actuarial Officer</p> 	<p>Rudy Hervé Chief Operating Officer</p> 	
<p>Jon Knutzen Chief Risk Officer</p> 	<p>Kyle Morgan Chief Strategy Officer</p> 	<p>James Long Chief Technology Officer</p> 	<p>Jake Armstrong Executive Vice President Operations</p> 	<p>Chris Cebula Executive Vice President Reinsurance</p> 
<p>Benson Latham Executive Vice President Head of Crop</p> 	<p>Tricia Panaguiton Executive Vice President Reinsurance</p> 	<p>David Sapia Executive Vice President Head of E&S Casualty</p> 	<p>Jason Sears Executive Vice President Head of Programs and Fronting</p> 	

Today's Agenda

PALOMAR INVESTOR DAY 2025

	8:30am – 9:00am	Executive Summary
	9:00am – 10:15am	Specialty Product Lines
	10:15am – 11:00am	Q&A
	11:00am – 11:15am	Break
	11:15am – 11:55am	Operational Departments
	11:55am – 12:15pm	Palomar 2X and Modeling Update
	12:15pm – 12:40pm	Q&A
	12:40pm – 12:45pm	Closing Remarks



Mac Armstrong

Chief Executive Officer, Founder
and Chairman of the Board

Executive Summary



Palomar Overview

PALOMAR IS BUILDING A SPECIALTY MARKET LEADER



Specialty insurer using data analytics, underwriting acumen, and risk transfer expertise to capitalize on market dislocations



AM Best “A” (Excellent) Financial Strength Rating (FSC) X group rating



Five product categories: Earthquake, Inland Marine & Other Property, Casualty, Fronting, and Crop



3rd largest earthquake insurer in the United States



Admitted and E&S offerings with nationwide scope



Multi-channel distribution serving residential and commercial clients; products resonate with producers, other insurers and reinsurers



Risk transfer strategy limits exposure to major events and reduces earnings volatility

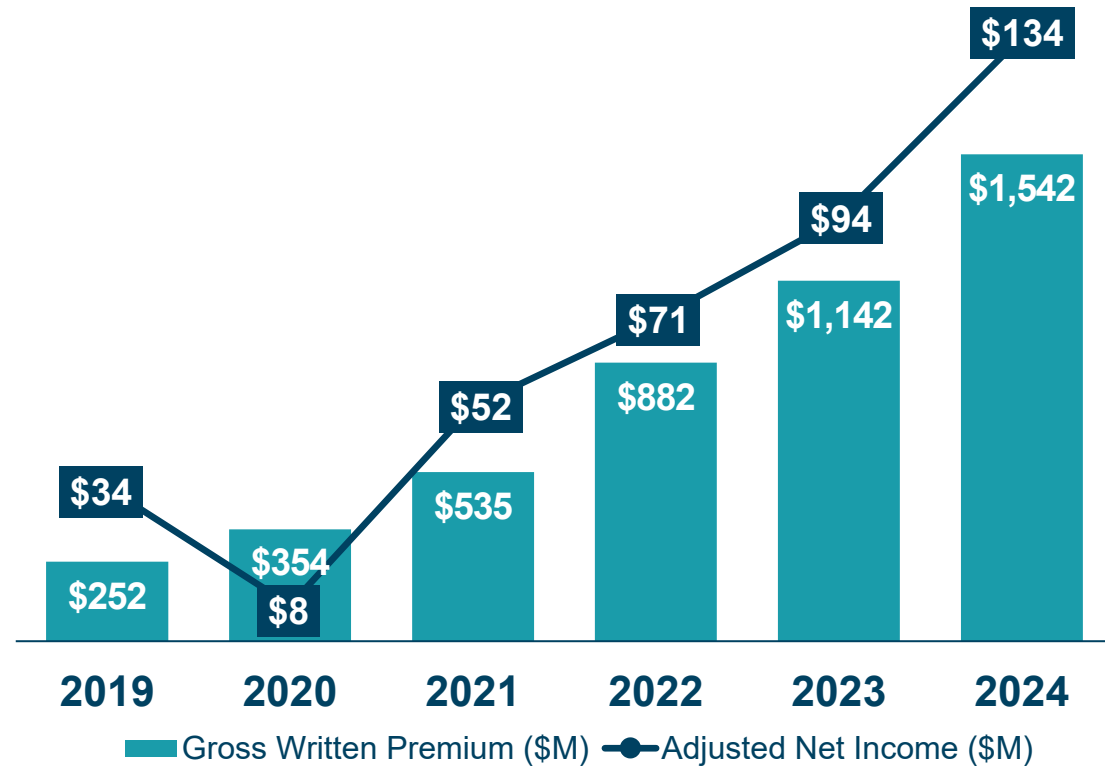


Experienced management team with industry expertise and longstanding collaboration

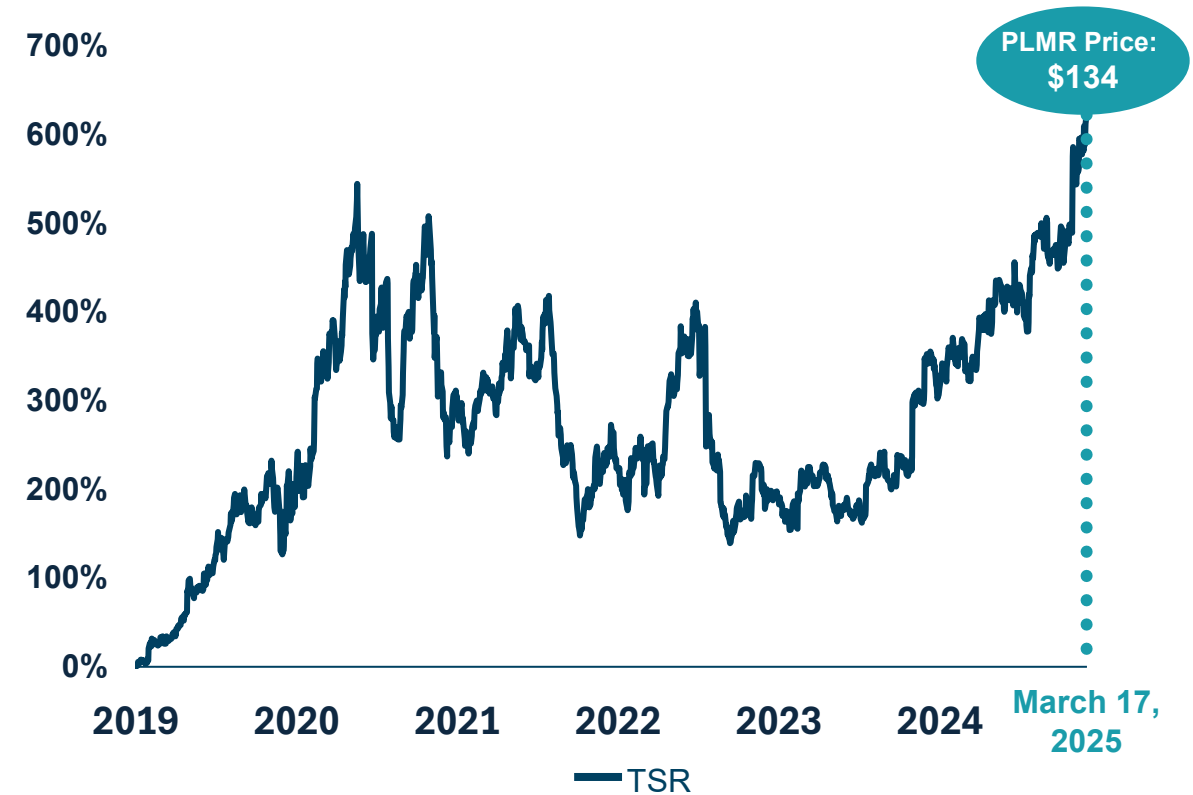
Delivering Profitable Growth and Strong Returns for Investors

REDUCED VOLATILITY TO DRIVE CONSISTENT GROWTH AND MARKET-LEADING RETURNS

Gross Written Premium and Adjusted Net Income



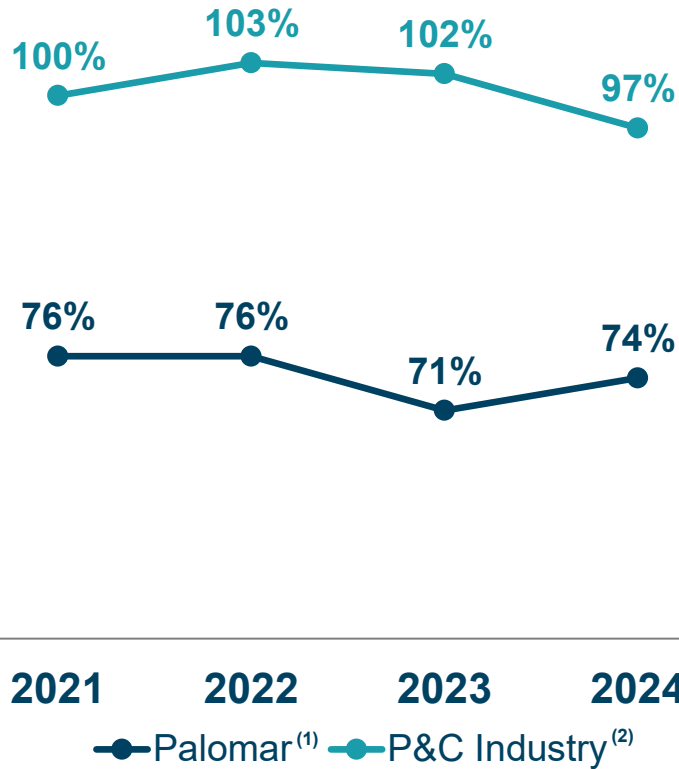
Total Shareholder Return Since IPO



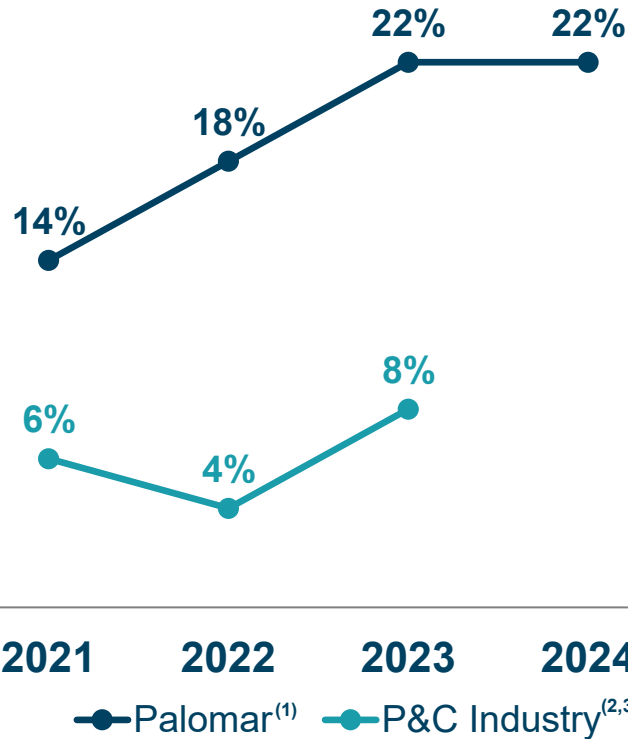
Industry Leading Profitability

ATTRACTIVE BUSINESS MODEL GENERATING INDUSTRY LEADING PROFITS

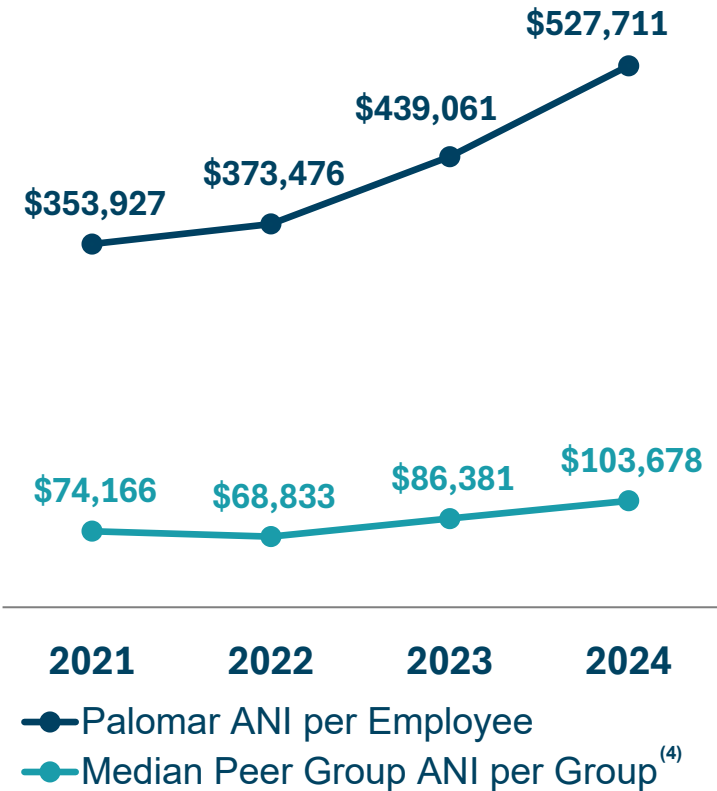
Combined Ratio



Return on Equity (ROE)



Adjusted Net Income (ANI) per Employee

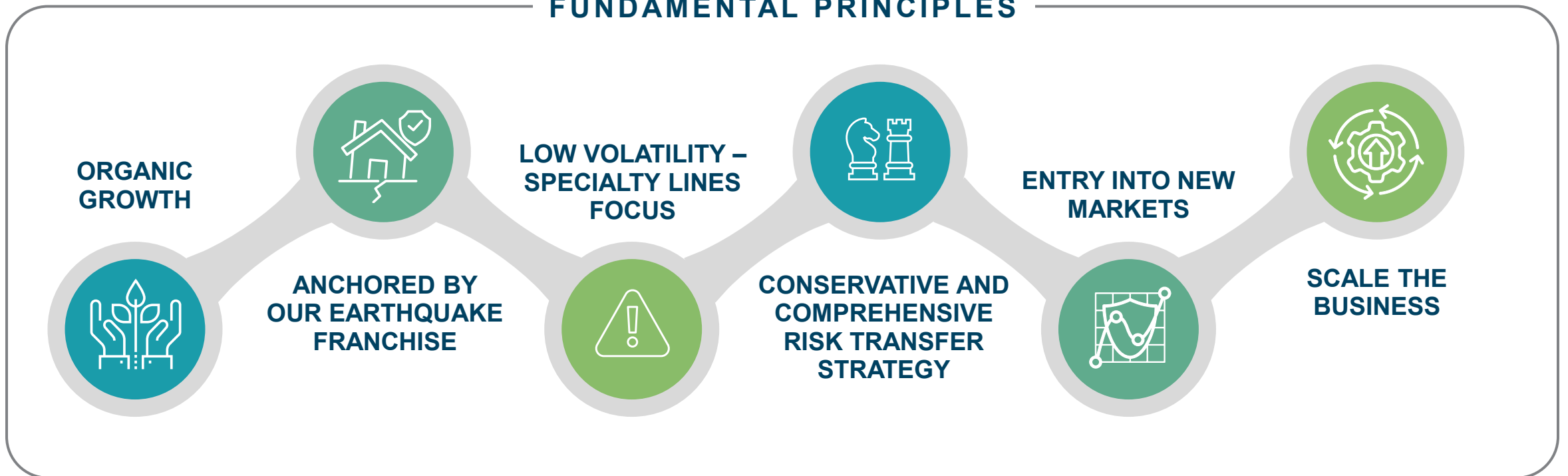


1. Palomar metrics use Adjusted Combined Ratio and Adjusted Return on Equity
 2. Source: S&P CapIQ
 3. Return on Average Equity
 4. 2024 Palomar Proxy Peer Group

Palomar 2X Strategy

A STRATEGIC IMPERATIVE INTRODUCED IN 2022 TO DOUBLE ADJUSTED UNDERWRITING INCOME AND ACHIEVE AN ADJUSTED ROE ABOVE 20% OVER AN INTERMEDIATE TIMEFRAME

FUNDAMENTAL PRINCIPLES

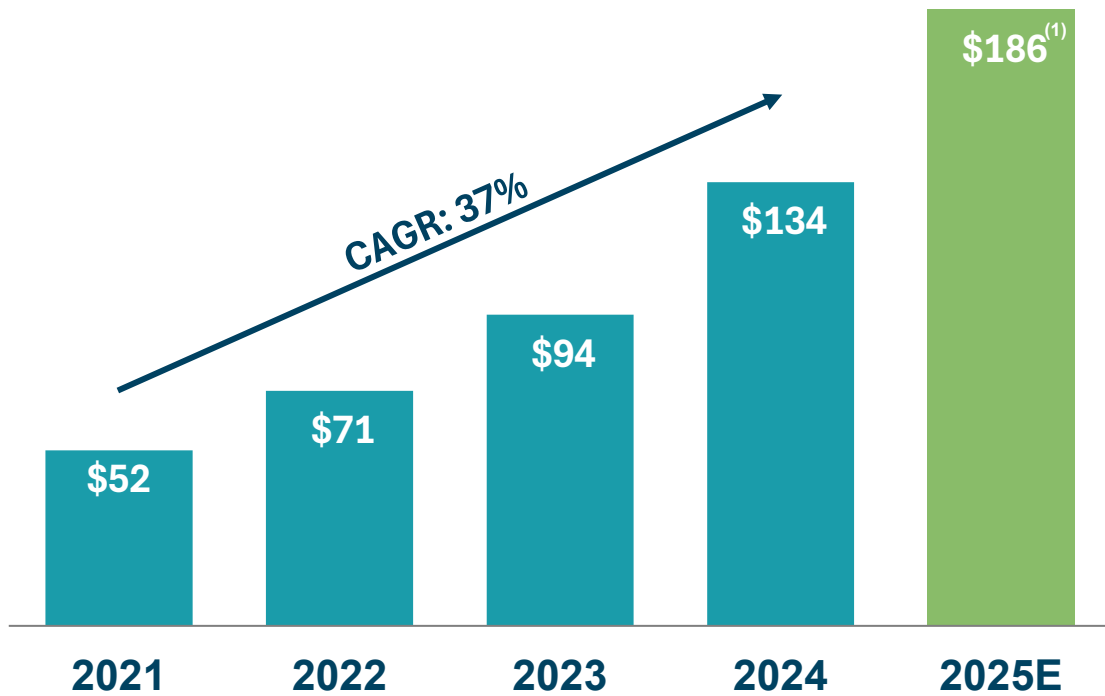


ACHIEVED INTIAL ADJUSTED UNDERWRITING INCOME GOAL WITHIN 3 YEARS

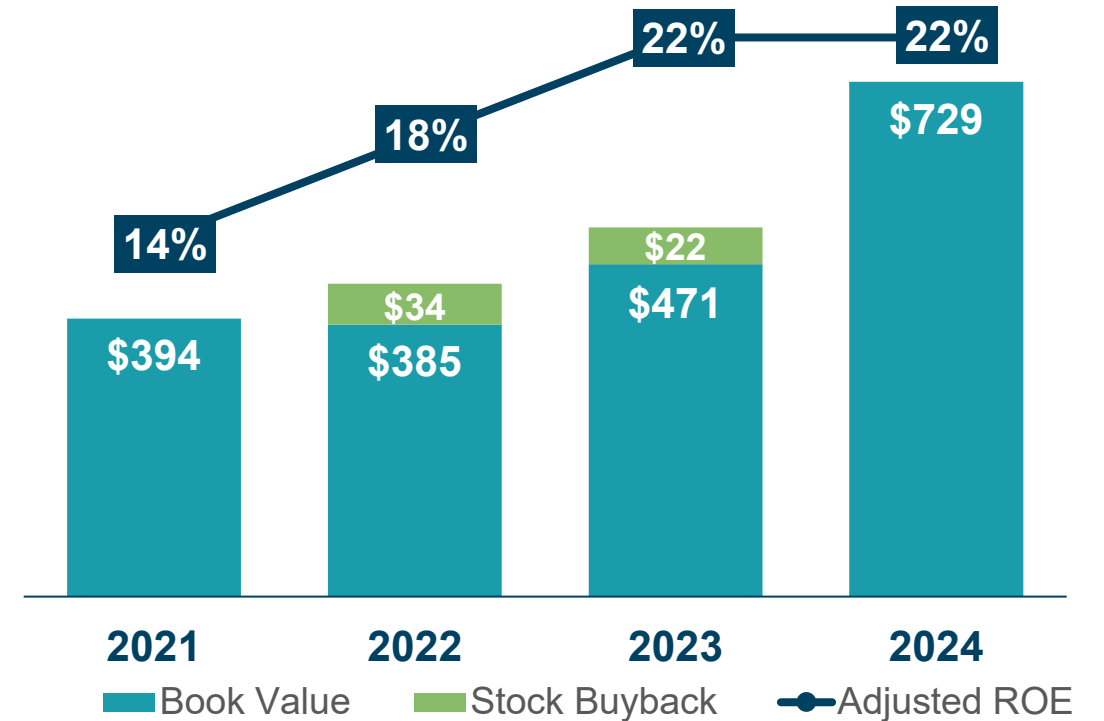
Since our Last Investor Day (June 2022)

STRONG EARNINGS GROWTH AND BALANCE SHEET EXPANSION

Adjusted Net Income (\$M)



Book Value (\$M) and Adjusted ROE



1. Midpoint of 2025 adjusted net income guidance range

Since Our Last Investor Day (June 2022)

NOTABLE ACHIEVEMENTS AND ADDITIONS OF TOP INDUSTRY TALENT

- Formed Laulima Reciprocal Exchange
- Upgraded to “A” and achieved FSC X by AM Best
- Scaled Casualty franchise and entered E&S Casualty market
- Entered the Crop Market
- Crop MGA acquisition: Advanced AgProtection ("AAP")
- Surety acquisition: First Indemnity of America ("FIA")
- Significantly reduced wind exposure and associated earnings volatility

	Name	Year Joined	Prior Professional Experience
	Matt Grunewald Executive Vice President, Reinsurance	2023	Tamesis DUAL Greenlight Re Guy Carpenter Collins
	Tricia Panaguiton Executive Vice President, Reinsurance	2024	Guy Carpenter Abbott Aon Benfield
	Tim Carter Chief People Officer	2024	LPL Financial, Inc. G4S Integrated Services Parexel Home Depot
	Rudy Hervé Chief Operations Officer	2024	SCOR QBE Bain & Company Orange Ventures Morgan Stanley
	Althea Garvey Chief Claims Officer	2024	LifeCare AIG Jacoby & Meyers
	Benson Latham Executive Vice President, Head of Crop	2024	Great American Validus Specialty ProAg
	James Long Chief Technology Officer	2024	RenaissanceRe Guy Carpenter John B. Collins Associates
	David Sapia Executive Vice President, Head of E&S Casualty	2024	HDI Global Axis Guy Carpenter
	Tim O'Donovan Executive Vice President, Investments	2025	Goldman Sachs

2025 Strategic Imperatives

WELL-POSITIONED TO CAPITALIZE ON OPPORTUNITIES IN THE YEAR AHEAD



Integrate and Operate

- Monetize and scale 2024 investments
- Integrate FIA and AAP
- Execute on framework for operational excellence
- Industry leader in analytics, data, talent development
- Invest where clear ROE is achievable



Build New Market Leaders Deliberately

- Lean into the market with a long-term view
- Leverage growing balance sheet
- Grow net earned premium on targeted lines of business
- Continue to develop Crop and Casualty into market-leading franchises



Remember What We Like (and Don't)

- Sustain profitable growth in heritage markets
- Strong market knowledge and positioning provide continued growth and profitability
- Scalable business mix offers opportunity to hedge in soft market cycles



Consistent Earnings (+ from New Areas)

- Disciplined underwriting and reinsurance remain central to predictable results
- Crop and Surety aren't tied to traditional P&C market cycles
- Additional meaningful impacts as we achieve critical mass:
 - Investment portfolio
 - Conservative reserves
 - Claims management

Key Themes for Today

DRIVING PROFITABLE GROWTH WITH A PROVEN STRATEGY AND INDUSTRY-LEADING TALENT

Company Vision: We are building a market-leading specialty insurer

Business Strategy and Palomar 2X: We have a proven approach to execution and to delivering consistent and profitable growth

Competitive Advantage: Our success stems from differentiated underwriting, strategic risk transfer, and experienced leadership

Underwriting & Risk Transfer: Our conservative underwriting and risk management ensure steady returns without sacrificing growth

Attracting Best-in-Class Talent: We are an attractive destination for industry-leading talent

Market Adaptability: We enter markets that meet our risk-adjusted return profile and decisively exit unprofitable businesses

Consistent Earnings: We are focused on delivering consistent earnings growth through a diversified portfolio of businesses



Jon Christianson
President



Robert Beyerle
Chief Underwriting Officer



David Sapia
EVP, Head of E&S Casualty



Benson Latham
EVP, Head of Crop

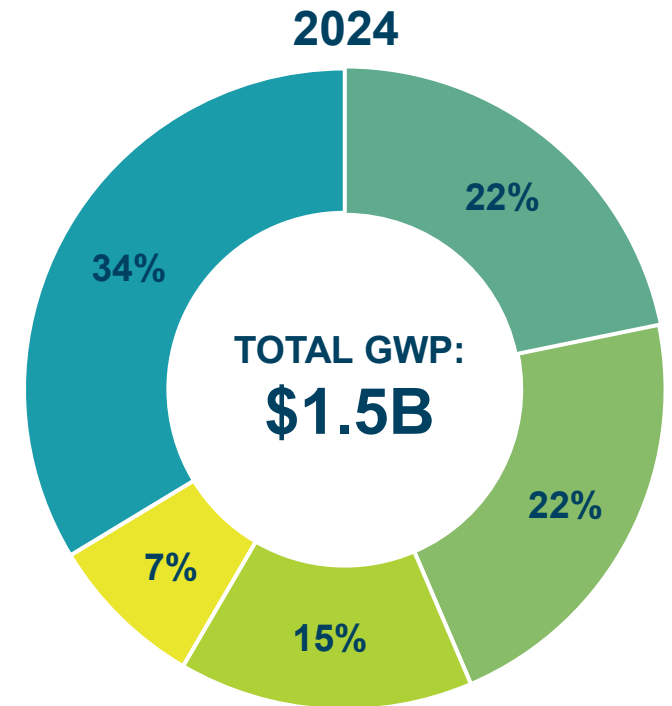
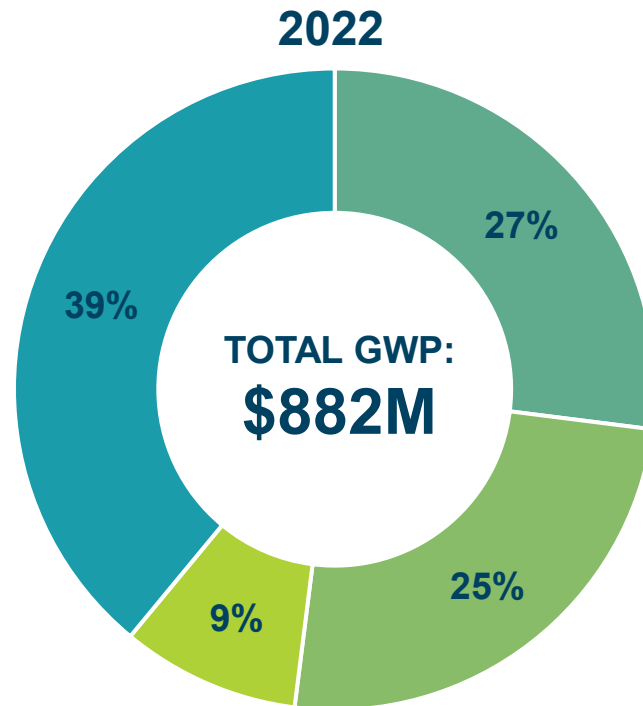
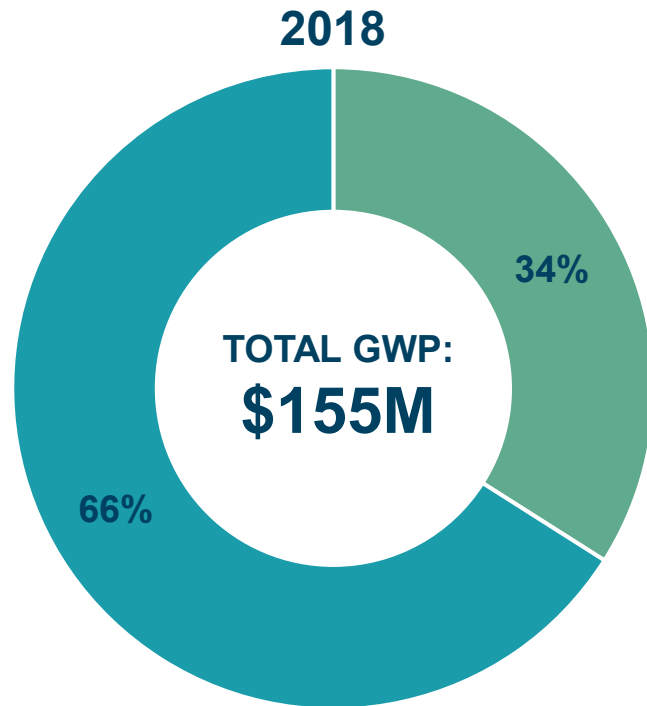


Kyle Morgan
Chief Strategy Officer

Specialty Product Lines

Portfolio of Specialty Insurance Products

THE EVOLUTION AND GROWTH OF A DIVERSIFIED SPECIALTY INSURANCE LEADER



■ Earthquake

■ Inland Marine & Other Property

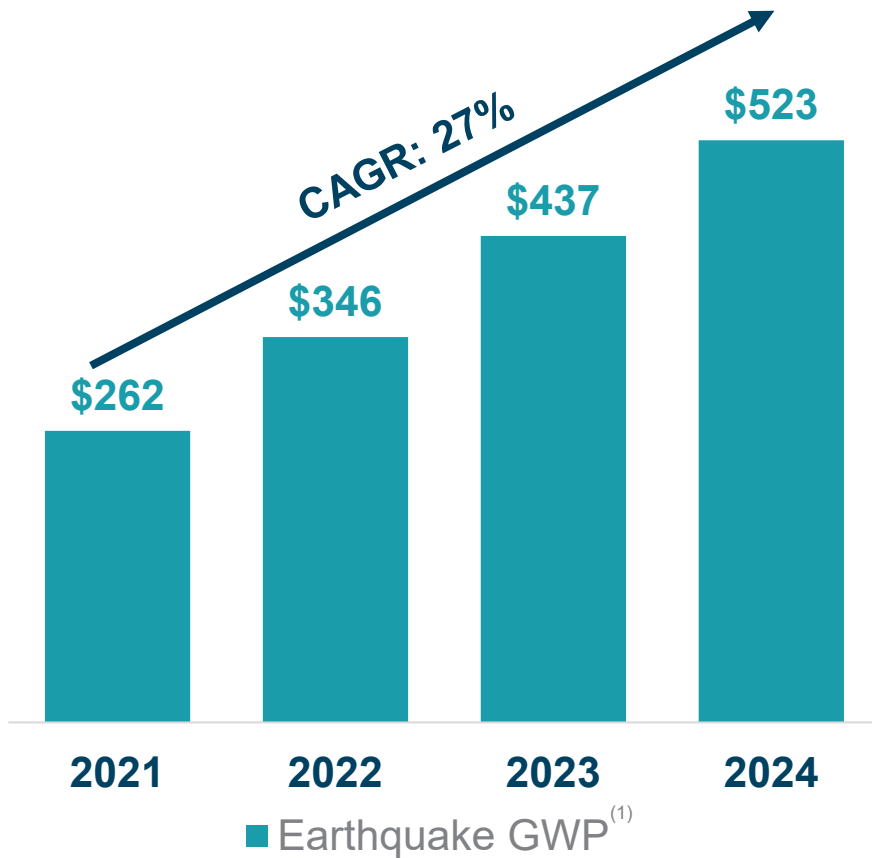
■ Fronting

■ Casualty

■ Crop

Earthquake — Product Overview & Underwriting Focus

INDUSTRY LEADER IN THE COMMERCIAL AND RESIDENTIAL EARTHQUAKE MARKETS



- Analytical underwriting with distinctive pricing model
- Sector expert with specialized product offerings
- Attractive risk-adjusted returns
- Admitted and E&S product offerings
- Balanced portfolio of residential and commercial business
- Best-in-class reputation makes Palomar the go-to Earthquake partner
- Comprehensive risk transfer strategy

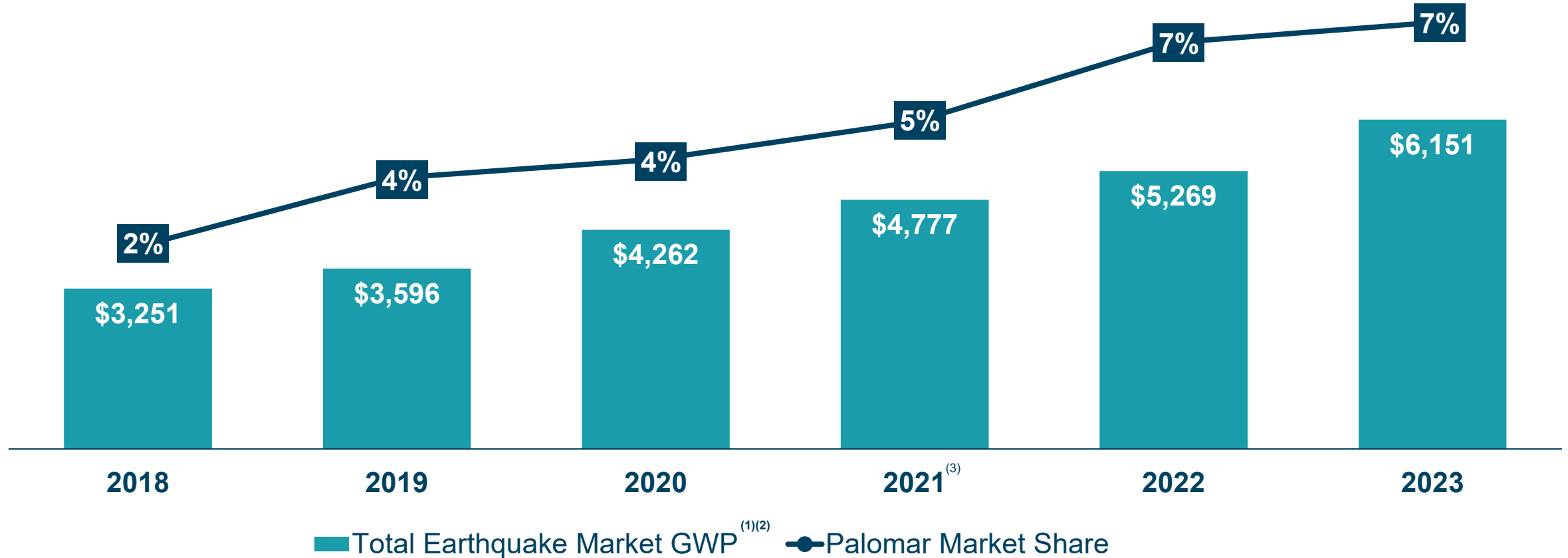


1. Annual GWP in \$M

United States Earthquake Insurance Market

STEADILY TAKING SHARE IN A GROWING EARTHQUAKE MARKET

United States Earthquake Insurance Market Growth



1. Annual GWP in \$M
 2. Source: S&P CapIQ
 3. FM Global reclassified Earthquake premium in 2021

Earthquake — Current Outlook

CONTINUED MARKET EXPANSION AND PROFITABILITY



Market Conditions

- Continued dislocation in California (CEA and Homeowners) creates growth opportunity
- Residential and Commercial products provide balance across all market cycles
- Underlying profitability metrics near all-time high
- Softening property catastrophe reinsurance market offers potential for material cost savings and earnings growth

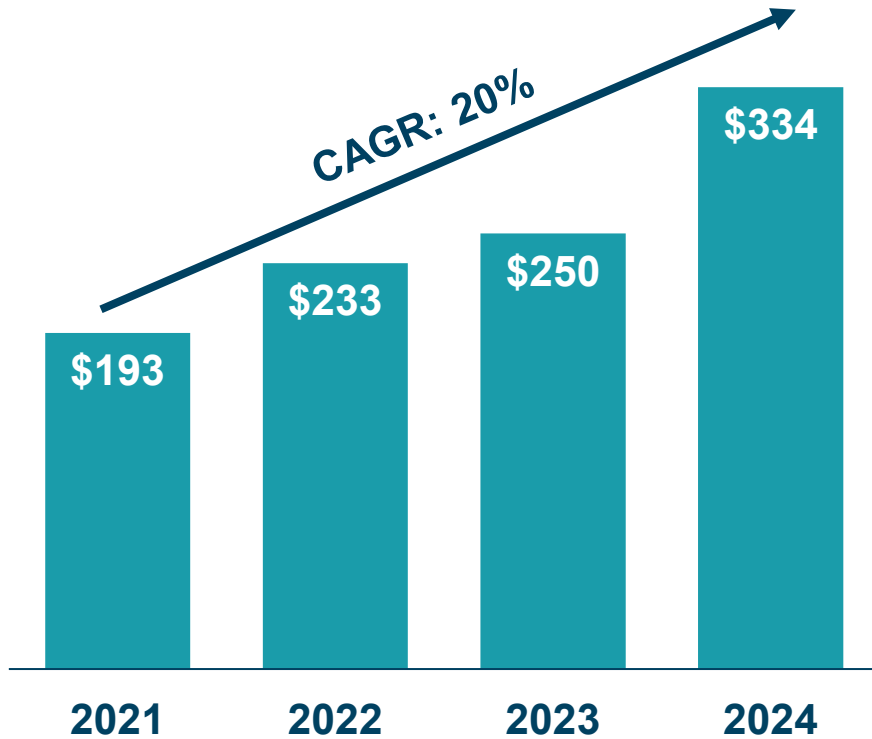


Areas of Focus

- Execute mid-teens GWP growth in 2025
- Increase market share in California and the United States
- Maintain terms and conditions and inflation guards
- Leverage E&S company in the residential market
- Strengthen strategic partnerships (new and existing)
- Continuously evaluate risk transfer strategy to enhance economics

Inland Marine & Other Property — Product Overview & Underwriting Focus

A DEFINED APPETITE OF SPECIALTY PROPERTY PRODUCTS



■ Inland Marine & Other Property GWP⁽¹⁾

- Mix of residential and commercial business
- Admitted and E&S product offerings
- Deliberate exposure management
- Controlled net line size
- Limited continental United States hurricane exposure
- Proven risk-adjusted returns



1. Annual GWP in \$M

Inland Marine & Other Property — Current Outlook

OPPORTUNITIES FOR EXPANSION AND OPERATIONAL EXCELLENCE



Market Conditions

- Large market opportunity
- Stabilizing property market
- Favorable reinsurance capacity and pricing available
- Rate change varies by risk profile and geography



Areas of Focus

- Remember what we like and what we don't
- Strategically expand geographic presence
- Continuous investment in adding industry leading underwriting talent
- Accelerate operational scalability
- Deliberately increase net retention

Inland Marine & Other Property — Primary Growth Vectors

PRODUCT DIVERSIFICATION AND STABLE GROWTH VECTORS



Builders Risk

- Proven line of business driven by top-tier underwriting expertise and long-term relationships
- Significant market opportunity with strong growth potential
- Continued geographic expansion for risk diversification and access to new distribution channels



Excess National Property

- Mitigating shock loss exposure through risk selection, attachment and reinsurance
- Maintaining minimal catastrophe exposure for portfolio stability
- Opportunity to increase net retention as the book of business develops and matures

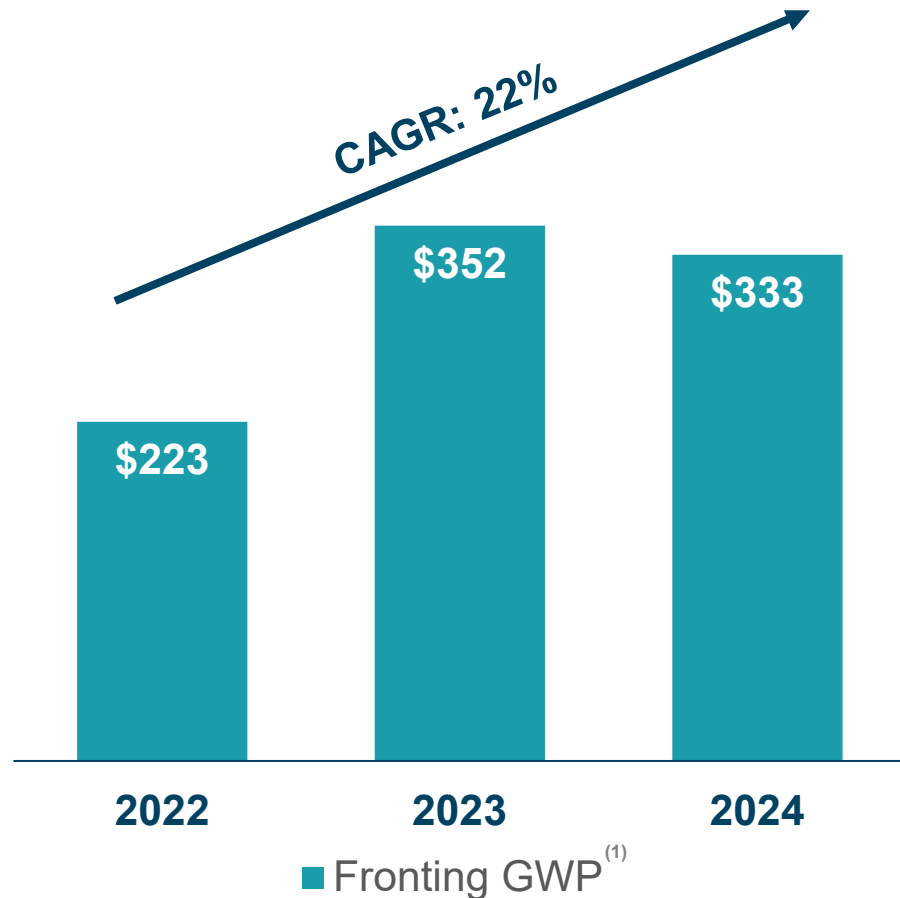


Hawaii Hurricane

- Recognized as the 2nd largest provider of standalone Hawaii Hurricane insurance coverage
- Fee-based model via Laulima designed to limit earnings volatility and enhance stability
- Growth driven by rate increases rather than substantial exposure expansion

Fronting — Product Overview & Underwriting Focus

FEE GENERATIVE PROGRAMS PROVIDING PRODUCT DIVERSIFICATION



- Deliver fee-generating services to a select group of MGAs, carriers, and reinsurers
- Offers R&D opportunity for emerging underwriting disciplines
- Focus on comprehensive partner and program management
- Target partners with high credit quality lacking regulatory qualifications
- Enter new markets as a non-risk-bearing insurance entity
- Flexibility to selectively participate in risk over time
- Fully reinsured and collateralized model

1. Annual GWP in \$M

Fronting — Current Outlook

STRONG GROWTH WITH EXISTING PARTNERS AND A HEALTHY PIPELINE OF POTENTIAL PARTNERSHIPS



Market Conditions

- Increased carrier competition softening the market
- Trend toward “participatory front” arrangements
- MGAs exploring integrated carrier arrangements
- Dependence on multiple third parties

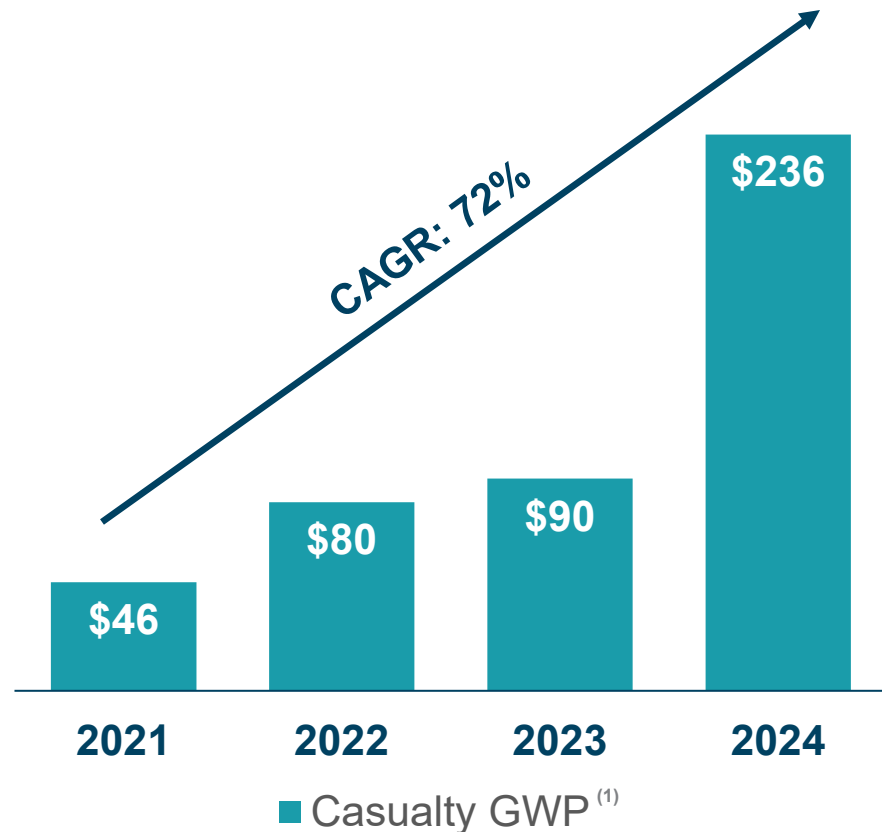


Areas of Focus

- Monitor potential marketplace disruption
- Continued emphasis on credit worthiness of counterparties
- Maintain high standards of selectivity within pipeline
- Contract certainty remains key in this segment

Casualty — Product Overview & Underwriting Focus

INDUSTRY EXPERTS RESPONSIBLY GROWING PALOMAR'S FOOTPRINT IN A LARGE ADDRESSABLE MARKET



- Specialty Casualty insurance for niche markets
- Targeting shorter-tail Casualty lines
- Complementary to property products
- Insulated from pre-2020 accident year adverse market development
- Admitted and E&S product offerings
- Disciplined growth: modest gross and net limits to manage volatility
- Prudent risk selection to mitigate exposure to social inflation
- Implemented conservative reserving practices across entire portfolio



1. Annual GWP in \$M

Casualty — Current Outlook

NICHE PRODUCT FOCUS AND CONSERVATIVE RESERVING PRACTICES



Market Conditions

- Ample opportunities within current risk appetite
- Inflation continues to cause industry-wide adverse development
- Outsized large loss activity
- Adequate reinsurance capacity



Areas of Focus

- Adhere to disciplined underwriting
- Scale new lines of business and explore market adjacencies
- Maintain conservative reserving philosophy
- Drive operational scale (Technology and Claims)
- Deliberately increase net retention
- Integrate FIA and expand existing footprint

Casualty – E&S Casualty Case Study

E&S CASUALTY WILL BOLSTER CASUALTY FRANCHISE AND FUEL PROFITABLE GROWTH

Market Thesis

- Post-COVID market hardening has created a profitable E&S opportunity
- Capacity deployment in the low attaching excess space where competition is lessened, rates are redundant, and reinsurance support more available
- Deepen Palomar's distribution relationships with an E&S Casualty offering in an underserved space

Underwriting Appetite

- Two underwriting verticals: construction and non-construction risks
- Focus on differentiated segments for diversification while giving the broker the optic of Palomar as a "go-to" market
- Prioritize vetted commercial contractors with strong risk management protocols and a stable/highly experienced workforce

Avoiding & Minimizing

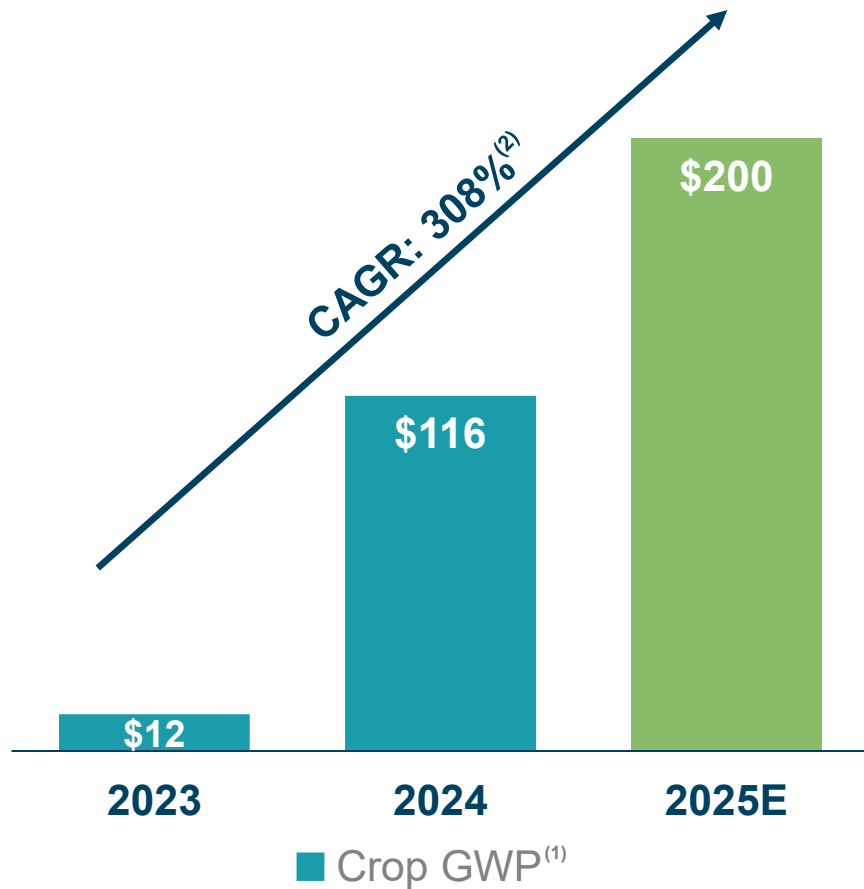
- Auto liability, construction defect, and latent/catastrophic injury product exposures
- Jumbo and National accounts
- States where third-party litigation funding and nuclear verdict activity thrive

Managing Volatility

- Leverage disciplined underwriting of experienced leadership
- Real-time portfolio monitoring to steer the portfolio as market conditions and litigation trends dictate
- Mindful of net and aggregate limits
- Robust treaty and facultative reinsurance support

Crop – Product Overview & Underwriting Focus

EMERGING NEW LINE DIVERSIFIES EXISTING PRODUCT PORTFOLIO



- Access to the \$18 billion annual Crop insurance market
- One of only 12 approved insurance providers (AIP) recognized by the federal government
- Uncorrelated to traditional P&C cycles
- Internal investments and strategic partnerships provide deep expertise, innovative technology and analytics
- Transformed risk participation from 5% to 30% in 2025



1. Annual GWP in \$M
2. CAGR includes 2025 estimated GWP target

Crop – Current Outlook

SIGNIFICANT GROWTH CONTRIBUTOR IN 2025 AND BEYOND



Market Conditions

- Consistent market growth over the past decade
- 2024 realized expected underwriting profitability
- Q3 earned premium seasonality
- Stable but reduced panel of long-term market participants
- Relationship based business

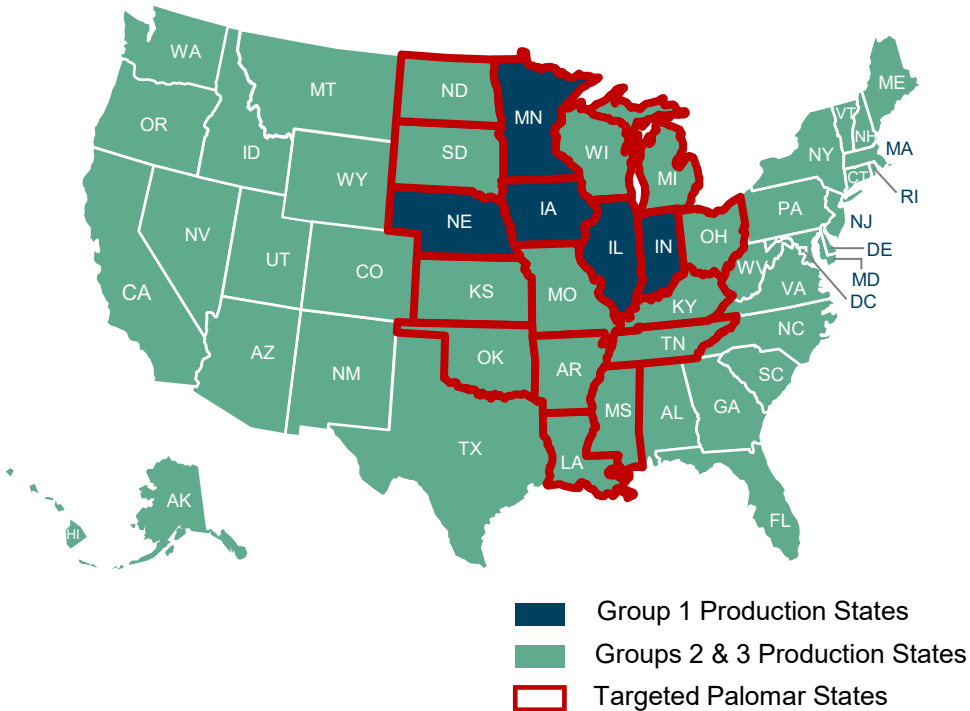


Areas of Focus

- Deliver over \$200 million of GWP in 2025; targeting \$500 million in the intermediate future
- Drive operational scale and increase market share
- Geographic expansion and diversification
- Utilize both private reinsurance and the Risk Management Agency (RMA) to spread risk and optimize economics

Crop – Geographic Focus and Calendar

CURRENT STATE OF THE MARKET + CORE TARGET AREAS



1st Quarter

- Sales closing date for Multi-Peril Crop Insurance (MPCI)
- Private reinsurance placement
- Annual PRF premium recorded as written

2nd Quarter

- Majority of row crops are planted in the US
- Private Products are purchased

3rd Quarter

- MPCI premium established
- Livestock sales
- Greater than 60% of the gross written and gross earned premiums for the year are recognized

4th Quarter

- Loss adjustments
- Farmers pay premiums

Quarterly Seasonality of Gross Earned and Written Premiums

	Products	Q1	Q2	Q3	Q4	Total
2024 Gross Written Premium	Total Crop	33%	2%	51%	14%	100%
2024 Gross Earned Premium	Total Crop	12%	8%	56%	24%	100%
2025 Gross Written Premium⁽¹⁾	Total Crop	15-25%	0-10%	60-70%	5-15%	100%
2025 Gross Earned Premium⁽¹⁾	Total Crop	0-10%	0-10%	65-75%	15-25%	100%

1. Projected premium range

Strategy for Entering New Lines of Business

REPEATABLE AND SCALABLE PROCESS FOR EFFECTIVELY BRINGING PRODUCTS TO MARKET

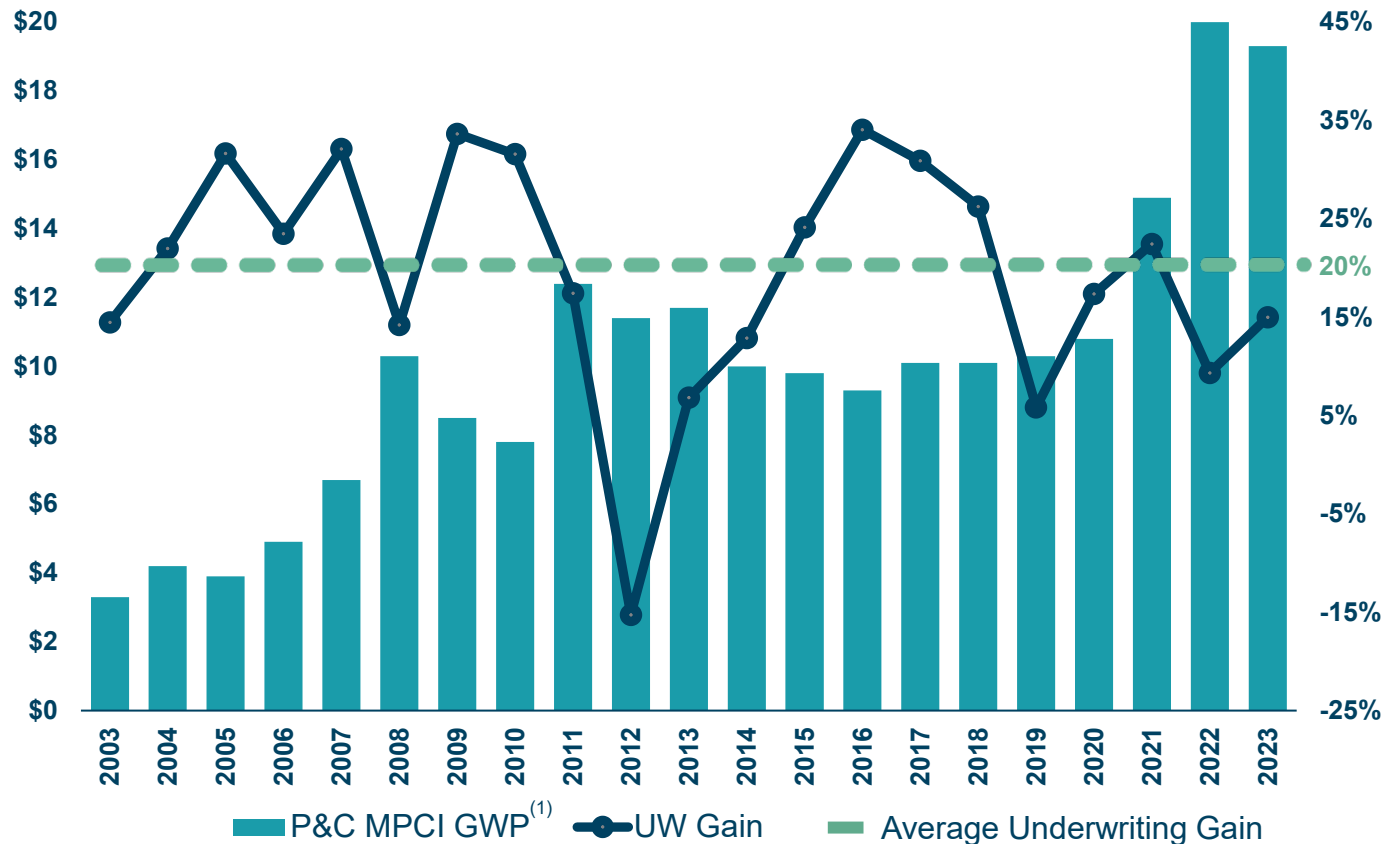


KEY ATTRIBUTES

Strong growth profile | Attractive risk-adjusted returns | Minimal volatility | Modest net line size | Predictable earnings

Crop Acquisition - Advanced AgProtection (AAP)

EXPANSION INTO HIGHLY SPECIALIZED AND PROFITABLE LINE OF BUSINESS WITH A HEALTHY GROWTH PROFILE



1. Annual GWP in \$B

Company Profile

- Texas headquartered MGA
- Industry experts with longstanding Crop Insurance relationships
- Palomar made strategic investment in AAP in 2023

Strategic Rationale

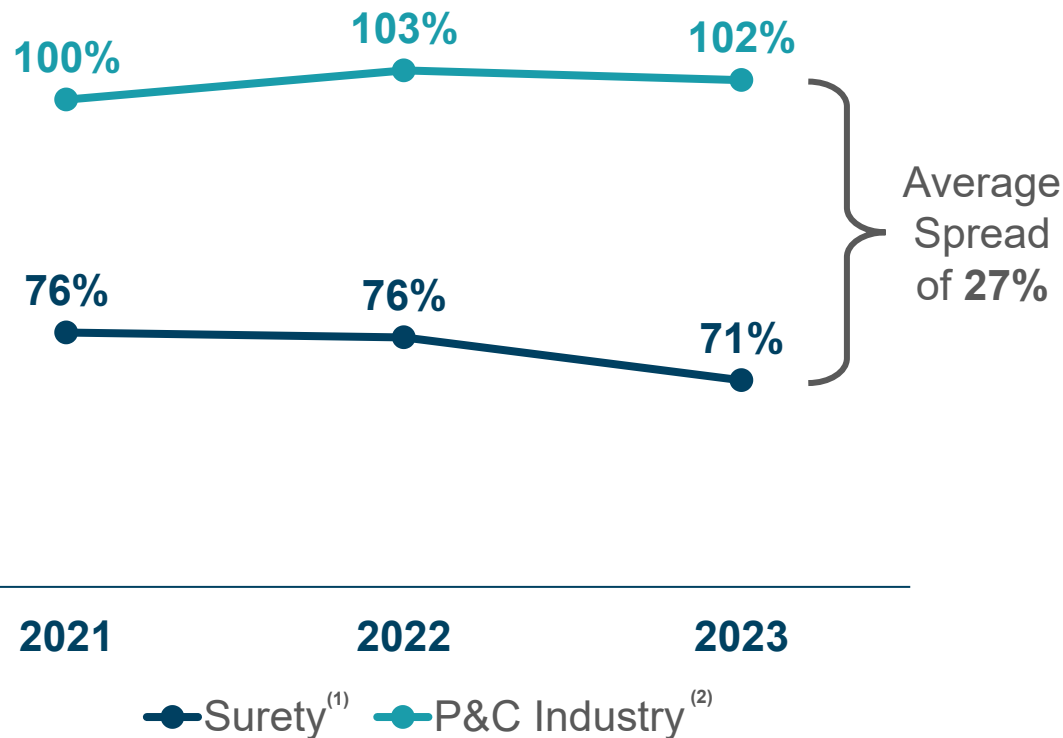
- Strengthen agency relationships to expand distribution and market penetration
- Optimize reinsurance to improve economics
- Transition to a traditional AIP model for broader appeal and credibility
- Leverage scalable infrastructure for growth
- Create operational efficiency with in-house oversight



Surety Market Entry + Acquisition of First Indemnity of America

ENTRY INTO PROFITABLE, GROWING LINE OF BUSINESS WITH LIMITED CORRELATION TO THE P&C CYCLE

Combined Ratio – Surety vs P&C Industry



- Acquired First Indemnity of America (FIA), a NJ-based surety carrier, in January 2025
- FIA specializes in contract surety bonds for small to medium sized contractors in the Northeast US
- Deep expertise in underwriting and claims
- 2024 results: 21% GWP growth, 22% ROE
- Opportunity to expand limits and retain additional risk
- Will utilize Palomar's existing surety licenses
- Pursuing a Federal T-Listing



1. Source: Conning
2. Source: S&P CapIQ

Q&A



Break





Jon Knutzen
Chief Risk Officer



Ethan Genteman
Chief Actuarial Officer



Rudy Hervé
Chief Operating Officer



Althea Garvey
Chief Claims Officer



Tim Carter
Chief People Officer

Operations

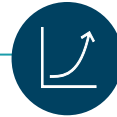
Palomar Approach to Risk Transfer

RISK TRANSFER IS CENTRAL TO PALOMAR'S OVERALL STRATEGY AND 2X PHILOSOPHY



Manage Volatility

- Conservative risk tolerances that mitigate net exposure to catastrophe, shock, and attritional losses
- Efficient management of gross and net lines



Support Growth

- Dynamic programs designed to scale with exposure growth and needs of underwriting
- Diverse and well-capitalized reinsurance panels
- Growth in Palomar's capital enables increased net retentions



Control Ceded Expense

- Robust portfolio analytics
- Access to both traditional reinsurance and insurance-linked securities

Comprehensive & Diverse Utilization of Risk Transfer Products

EMPLOY A DIVERSE SUITE OF PRODUCTS TO MANAGE RISK, REDUCE EARNINGS VOLATILITY AND SUPPORT GROWTH

Facultative

- Individual risk-specific protection
- ‘Second set of eyes’ for individual risk underwriting
- Effective for newer lines of business or complex risks



Quota Share

- ‘First dollar’ pro-rata partner for portfolio
- Control net line size and volatility for new and existing business
- Mitigate shock losses
- Generate fee income



Excess of Loss(XOL)

- Applies on either a per-risk or a portfolio basis (e.g. Catastrophe XOL)
- Efficient protection against severity of a single event or loss above a fixed dollar retention



Catastrophe Bond

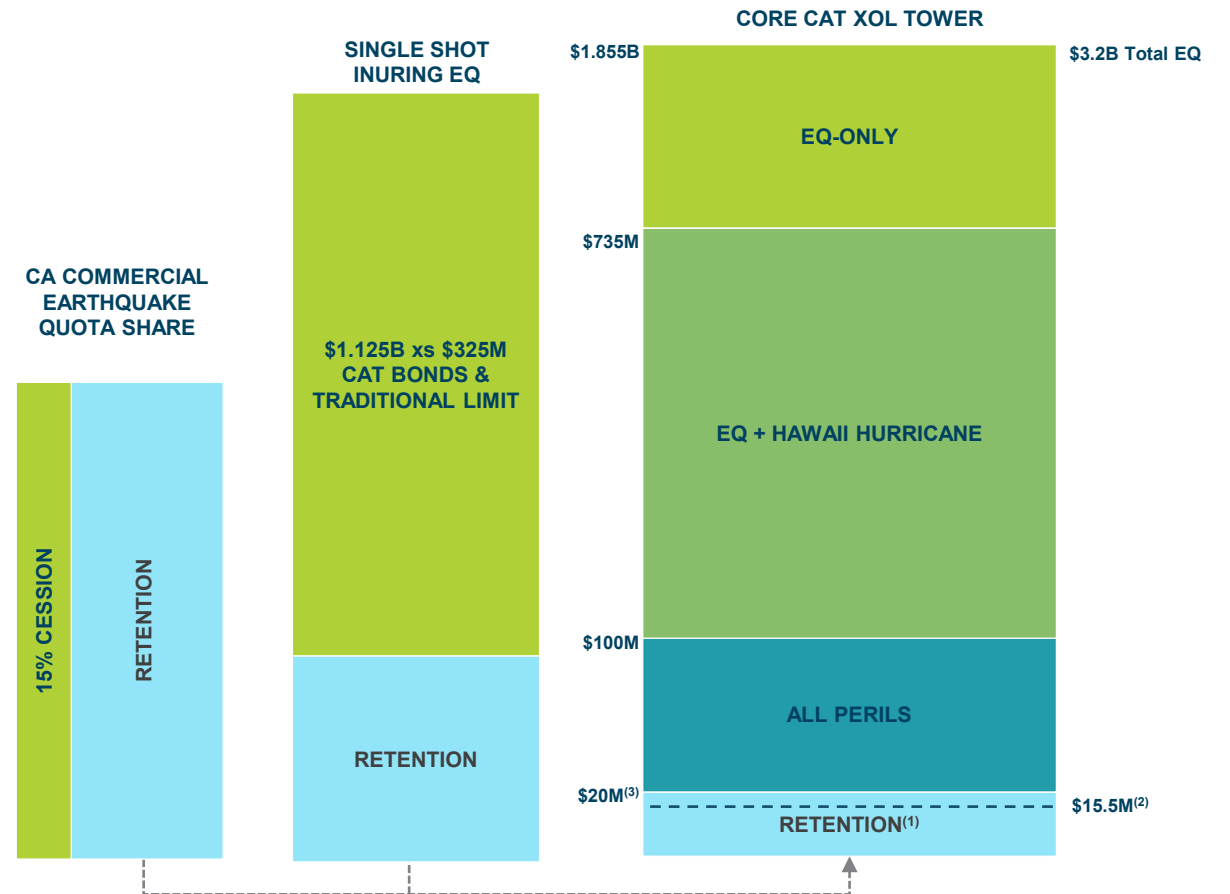
- Provides fixed economics and capacity via multi-year treaties
- Diversify beyond traditional reinsurance
- Fully collateralized model



Risk Transfer Case Study

PROPERTY CAT REINSURANCE PROGRAM DEPLOYS MULTIPLE TOOLS TO ACHIEVE OPTIMAL RESULT

- Strategy blends Excess of Loss, Quota Share, and Insurance-Linked Securities
- Program supported by over 100 reinsurers, accessing both rated and fully collateralized markets
- Mix of one-year and multi-year limit to reduce reinsurance market price volatility
- Consideration given to reinsurers' risk appetite (e.g., single peril exposures)
- Successful 1/1 Earthquake Quota Share renewal with sufficient reinsurance market capacity to support future growth



1. Core Catastrophe XOL retention excludes modest additional premium of first and second layers
 2. \$15.5M retention for all covered events excluding Earthquake
 3. \$20M retention for Earthquake events

Actuarial Strategy & Reserving Philosophy

BUILDING STRENGTH: A DISCIPLINED APPROACH TO RESERVING

Quantitative

Data-Driven Precision: Leveraging Stochastic Models for Unbiased Estimates

- Streamlined analysis using actuarial-standard models
- Reserves set by experienced actuaries and claims professionals
- Analysis of loss types to capture seasonality, demand surge, and trends

Conservative

Reserving with Caution: Protecting Against Future Uncertainty

- Swift response to negative developments, cautious approach to positive news
- Casualty reserves remain unreleased
- Scenario testing to ensure downside risk is understood

Collaborative

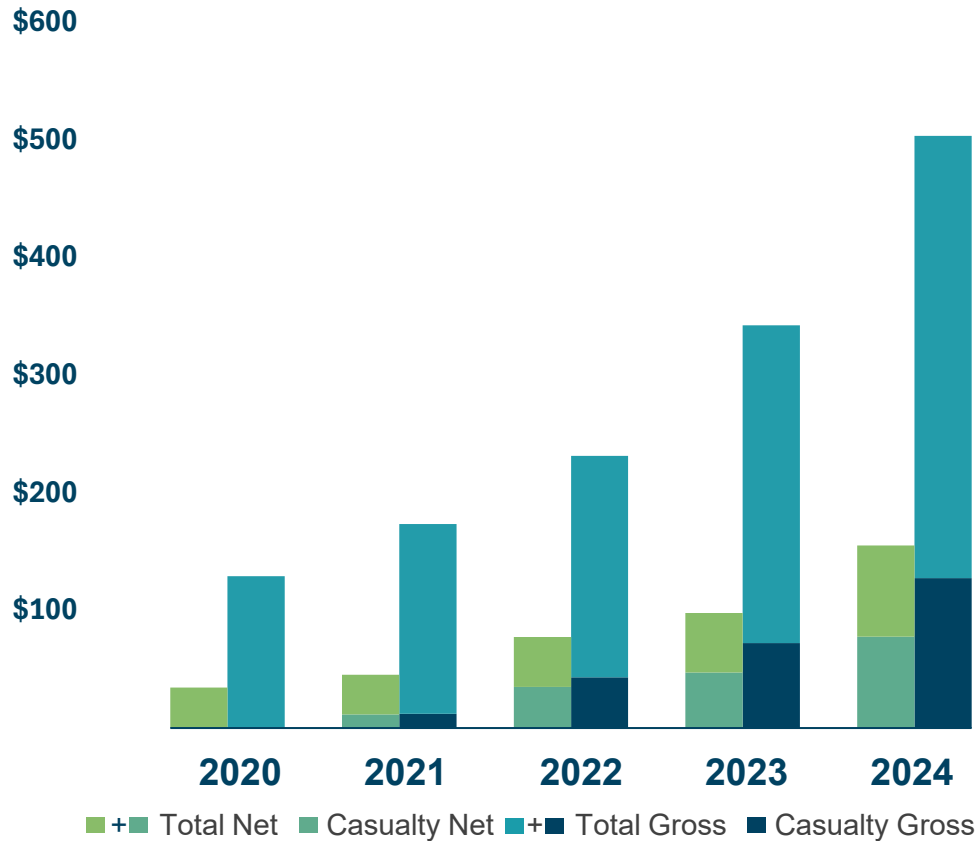
Integrated Insights: Aligning Data with Business Expertise

- Incorporation of insights from claims, underwriting, and senior management
- Results leveraged to enhance the pricing/reserving feedback loop

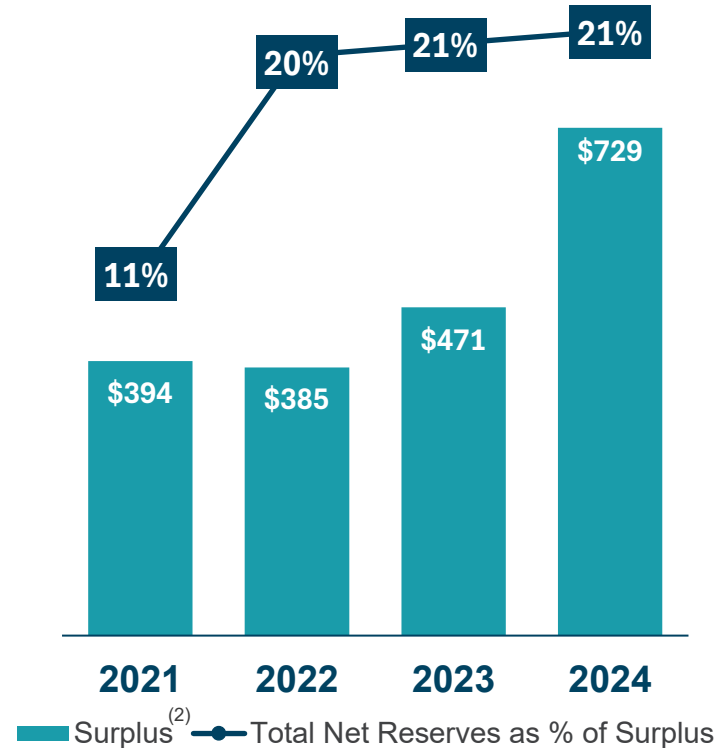
Reserve History

BUILT FOR STABILITY: RESERVING TRENDS AND FINANCIAL STRENGTH

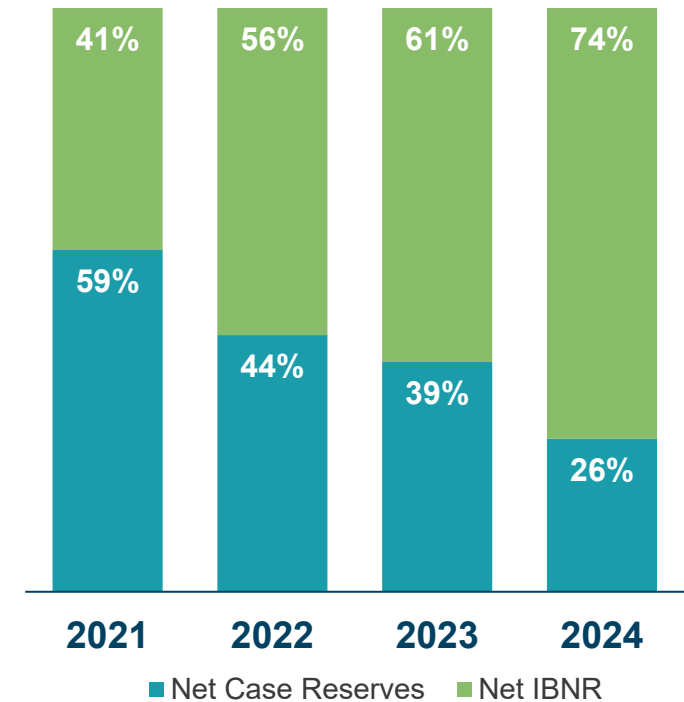
Gross and Net Reserves⁽¹⁾



Palomar Reserves & Surplus



Overall Net Reserves



(1) Gross and Net Reserves in \$M

(2) Surplus figures are in \$M

Technology & Operations

KEY ENABLER OF SPEED-TO-MARKET AND DIFFERENTIATION



Built for Speed

- Scalable core systems leveraging best-in-class vendors
- Proven playbooks for new product launches
- Early adoption of business process outsourcing services for rapid scaling and cost efficiency



Investing in What Differentiates Palomar

- PASS⁽¹⁾ and frontends endorsed by Producer and Carrier partners
- Sophisticated pricing tools with automated external data ingestion
- Performance and exposure management data assets



Leveraging AI & New Technologies

- Third-party data enrichment leveraging AI models for mining data and images
- AI-driven automation in underwriting process
- Active monitoring of Insurtech innovation landscape

1. Palomar Automated Submission System

Technology & Operations

INTEGRATE AND OPERATE: DRIVING EFFICIENCY GAINS WHILE BUILDING THE FUTURE PALOMAR



2025 Roadmap

- Specific initiatives for the launch and integration of Crop and Surety
- Continued investments in modernizing Producer, Underwriting and Claims systems
- Continued investments in underlying data infrastructure
- Risk-selection and pricing model upgrades driven by AI-enabled datasets



Long-term Objectives

- Building the ecosystem and infrastructure for a best-in-class specialty insurer
- Enabling up to five product launches per year
- Continue to scale the organization, fully decoupling premium growth from operational expenses growth
- Continue to stay at the forefront of new technology adoption in support of differentiated risk selection, pricing, and risk transfers

Claims Management

DIVERSIFIED USE OF THIRD-PARTY ADMINISTRATORS (TPAS) TO MANAGE CLAIMS AND LIMIT DOWNSIDE RISK



- Outsource claims handling to multiple specialized TPAs due to low frequency of mature books (Earthquake, Hawaii Hurricane)
- Use of in-house expertise, external analysis, underwriters, and legal counsel to estimate ultimate losses
- Opportunity to leverage TPA expertise in specialized lines of business
- Management oversees TPAs, ensuring catastrophe preparation, loss reserves, claim evaluation, arbitration, mediation, and settlement
- TPAs enable quick mobilization of adjusters to affected areas, helping mitigate demand surge after catastrophes

2025 Objectives

- Investment in full service in-house claims handling
- TPA assessments and benchmarking
- Advancements in technology and data initiatives

Palomar 2X Strategy is Strengthened by Our People

TALENT SYSTEMS ARE INFORMED BY OUR MISSION, VISION AND VALUES

Mission

Palomar is built on a culture of agility, innovation and problem-solving that delivers peace of mind and protection to individuals and businesses impacted by adversity.

Vision

To build solutions that expand our positive impact on the people, businesses, and communities we serve.

Values

Authenticity, Agility, Innovation, Diversity, Accountability

OUR INTENTIONAL FOCUS ON MISSION, VISION AND VALUES TRANSLATES INTO CREATING A DYNAMIC, RESILIENT, AND GROWING WORKFORCE

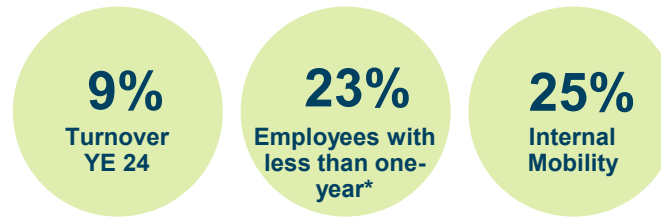
Key People Metrics

Headcount



*Current headcount jump (compared to YE 2024) largely impacted by FIA acquisition effective 1-1-25

Movement



*Maintaining a strong culture is important as one out of every four employees is a new hire

Satisfaction



*Past 3 years average is 84%
**Our pay and benefits remain a competitive advantage

2025 Talent Priorities

FOCUS ON ATTRACTING AND DEVELOPING GREAT TALENT TO CREATE A DYNAMIC, RESILIENT, AND EFFICIENT WORKFORCE



How We Work

Support Palomar's "Integrate and Operate" strategic imperative

- Optimize operational excellence through proven employee performance management systems
- Drive Palomar values and behaviors through heightened individual and team goals alignment
- Provide consistent approach to change management to bolster efficiency on how we get things done



How We Grow

Develop workforce capabilities to meet present and future demands

- Continue to attract, develop and retain underwriters and operational support
- Create predictable talent pipeline by investing in "early-in-career" programs (internships, rotations)
- Commit to intentional cross-functional development (build redundancy of key skills)



How We Win

Invest in building great people leaders

- Prioritize development of mid-level people managers
- Build muscle to deliver expected outcomes with pragmatic focus on adjusted net income per employee
- Monitor and develop "over the horizon" skills that may impact our business model



Chris Uchida
Chief Financial Officer

Palomar 2X and Modeling Update



Palomar 2X – Original Framework

PALOMAR 2X PHILOSOPHY WAS INTRODUCED DURING THE 2022 INVESTOR DAY

Initial financial objectives included:

- Double underwriting income over an intermediate timeframe
- Adjusted ROE greater than 20%
- Organic growth strategy

New For 2025

- Double adjusted net income over an intermediate timeframe (3-5 years)

Available levers to enhance execution:

- Growth in our capital base provides the flexibility to increase our risk participation over time

Palomar Financials – The Path To 2X

Strategic Objectives:

- Illustrative view of how our premium contributes to the bottom line
- What is Palomar 2X?
- What Palomar may look like at 2X, an illustrative "what if" – with our current products
- Capital adequacy to facilitate Palomar 2X
- Review Guidance

Highlights and Takeaways:

- We believe we can achieve Palomar 2X organically with our current product suite and will share:
 - An illustrative case study demonstrating how different lines of business impact financial metrics
 - What we mean when we say Binary, Fee, and Underwriting income
 - Sufficient capital base to facilitate long term growth

2

Financials – Illustration Definitions

Binary Products

- Residential Earthquake, Commercial Earthquake, Hawaii Hurricane
- High margin business with potential for larger events
- Does not cover attritional losses, typical loss ratio is zero
- XOL reinsurance is purchased to cover large catastrophic events
- Ceded XOL distorts the combined ratio

Fee and Underwriting Income

- Property business includes Inland Marine Builders Risk, Excess Property, Commercial All Risk and Flood
- Non-property business without catastrophe exposure but with attritional loss exposure includes General Casualty, Professional Liability and other selected lines
- Historically this also included Specialty Homeowners
- XOL reinsurance is required for property business to cover potential large catastrophic events, even though exposure is limited
- Quota share reinsurance primarily covers proportional attritional exposure and generates fee income without volatility
- Attritional losses are shared proportionally with quota share reinsurers

Fronting Fee Income

- Includes the new fronting lines as well as Texas Specialty Homeowners (in 2X illustrative example)
- XOL reinsurance coverage is not required
- Quota share reinsurance transfers all loss exposure and generates fee income without volatility
- Attritional losses are shared proportionally with quota share reinsurers

Underlying concepts presented in the financial statements

- 1. Ceded Premium**
 - Made up of quota share and XOL reinsurance
 - Generally quota share reinsurance is used as protection on attritional lines and generates a ceding commission that covers acquisition costs plus an override margin
 - Generally, XOL reinsurance protects against large catastrophic losses with an underlying retention to the Company. XOL also includes the Aggregate reinsurance expense that protects the business from multiple large events
- 2. Acquisition Expense**
 - Made up of the amount paid to producers to generate the business offer by the ceding commission received from quota share reinsurers
- 3. Losses**
 - Made up of the gross losses from claims offset by the losses ceded to reinsurers
- 4. Underwriting Income Before Overhead**
 - Sum of 1, 2 and 3
 - Internally defined as Underwriting Income before Other Underwriting Expenses ("OUE"). This allows for underwriting contribution margin before internal operating expenses to be analyzed for each product



3

Financials – 2021 Illustrative Example

"The information contained herein is provided for illustrative and discussion purposes only"

- This is an illustrative reconstruction of 2021 written premium showing some internal concepts used when looking at existing and new lines of business
- The rows highlighted in light blue and the Total column represent the information disclosed in typical financials and ratios are based on net premium and gross premium
- 2021 Palomar written premium of \$535 million at scale, assuming all premium is earned, with Underwriting Income before Overhead of \$110 million
- Binary Income represents lines only subject to catastrophes including Earthquake and Hawaii Hurricane.
 - represents 55% of the premium and \$100 million of Underwriting Income before Overhead and has no attritional losses
- Fee Income, including Fronting, represents portions of the business where underwriting risk has been converted into fee income through risk transfer. This is seen within Inland Marine, Casualty, Fronting and other lines.
 - represents 22% of the premium and \$5 million of Underwriting Income before Overhead and has no attritional losses or catastrophe exposure
- Underwriting Income represents portions of the business where risk is taken from an attritional loss standpoint. This includes retained portions of Inland Marine, Casualty, Flood and other lines.
 - represents 22% of the premium and \$5 million of Underwriting Income before Overhead and has a 27% attritional loss ratio (net)
- \$110 million of total Underwriting Income before Overhead and a loss ratio that is confirmed by the fact that 78% of premium is not exposed to attritional losses
- The path to Palomar 2X starts with doubling Underwriting Income before Overhead

Gross Premium	1,000	Bin
Ceded Premium - QS	(117)	Inc
Ceded Premium - XOL	(166)	Inc
Net Premium	717	
Losses	(97)	
Ceded Losses	45	
Losses and LAE (net)	(52)	
Acquisition Expense	(145)	
Ceded Acquisition Expense	16	
Acquisition Exp (net)	(129)	
Underwriting Income Before OH	110	
Net Premium Ratio	51%	66
Loss Ratio	19%	9
Acquisition Expense Ratio	46%	44
Combined Ratio Before OH	60%	45
Ratios on Gross Premium		
Ceded Premium Ratio	49%	48
Loss Ratio	10%	8
Acquisition Expense Ratio	20%	27
Combined Ratio Before OH	79%	67

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Palomar 2X Illustrative Example

"The information contained herein is provided for illustrative and discussion purposes only"

PALOMAR 2X Aims to:

- Double Underwriting Income, starting with Underwriting Income Before Overhead
- Operating scale from Other Underwriting Expenses will further enhance Underwriting Income growth
- This target is achievable organically with current products and assumes a consistent approach to risk transfer (including Specialty Homeowners)

- Binary Income represents 43% of premium and \$180 million of Underwriting Income before Overhead and has no attritional losses

- Fee Income, including Fronting, represents 43% of premium and \$26 million of Underwriting Income before OH and has no attritional losses or catastrophe exposure

- \$220 million of Total Underwriting Income before Overhead and a loss ratio that is confirmed by the fact that 96% of the premium is not exposed to attritional losses

Available Levers:

- Modify participation on Binary, Fronting and/or Underwriting business

Capital Requirements and ROE:

- Net Premium: Capital target ratios of 1.0x for Binary and 1.5x for all other premium
- \$452 million in illustrative net premium requires \$488 million of capital, close to current levels
- Growth in our capital base provides the flexibility to increase our risk participation over time
- We believe we can achieve adjusted ROE in excess of 20% on the path to Palomar 2X

	Total	Binary Income	Fee Income	UW Income
Gross Premium	1,195	515	260	160
Ceded Premium - QS	(351)	0	(260)	(260)
Ceded Premium - XOL	(226)	(195)	0	0
Net Premium	452	319	0	133
Losses	(151)	0	(121)	(115)
Ceded Losses	225	0	121	115
Losses and LAE (net)	(76)	0	0	(17)
Acquisition Expense	(151)	(138)	(65)	(63)
Ceded Acquisition Expense	155	0	79	76
Acquisition Exp (net)	(156)	(138)	13	(43)
Underwriting Income Before OI	220	180	13	14
Net Premium Ratio	38%	62%	0%	82%
Loss Ratio	17%	0%	-	57%
Acquisition Expense Ratio	34%	43%	-	32%
Combined Ratio Before OH	51%	43%	-	89%
Ratios on Gross Premium				
Ceded Premium Ratio	62%	38%	100%	100%
Loss Ratio	6%	0%	0%	47%
Acquisition Expense Ratio	13%	27%	5%	26%
Combined Ratio Before OH	12%	62%	95%	91%

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Palomar 2X – Execution Versus First Cohort

INITIAL 2021 PALOMAR 2X GOALS ACHIEVED WITHIN 3 YEARS

2022 Investor Day Palomar 2X Illustration				Performance Above Goal
Underwriting Income (Ex-Overhead and Ex-Cat)	2021 \$110.0M	Goal \$220.0M	2024 Actuals \$256.9M	+17%

Execution Versus First Cohort				Performance Above Goal
Adjusted Underwriting Income (Ex-Overhead and Ex-Cat)	2021 \$105.6M	Goal \$211.1M	2024 Actuals \$256.9M	+22%
Adjusted Underwriting Income	2021 \$55.9M	Goal \$111.8M	2024 Actuals \$134.1M	+20%
Adjusted Net Income ⁽¹⁾	2021 \$52.4M	Goal \$104.9M	2024 Actuals \$133.5M	+27%
Adjusted Return on Equity	2021 14%	Goal 20%	2024 Actuals 22%	+10%

1. Adjusted Net Income is the new Palomar 2X metric

2025 Full Year Guidance

GUIDANCE RANGE IMPLIES EXCEEDING 2022 PALOMAR 2X GOAL IN THREE YEARS

**2025 FULL YEAR
OUTLOOK**

**ADJUSTED NET INCOME
\$180M–\$192M**

CURRENT RANGE IMPLIES:

- Adjusted net income growth of 39% at the midpoint of the guidance range
- Midpoint of guidance range implies an adjusted ROE above Palomar 2X goal of 20%
- Includes \$8M–\$12M of catastrophe losses in 2025

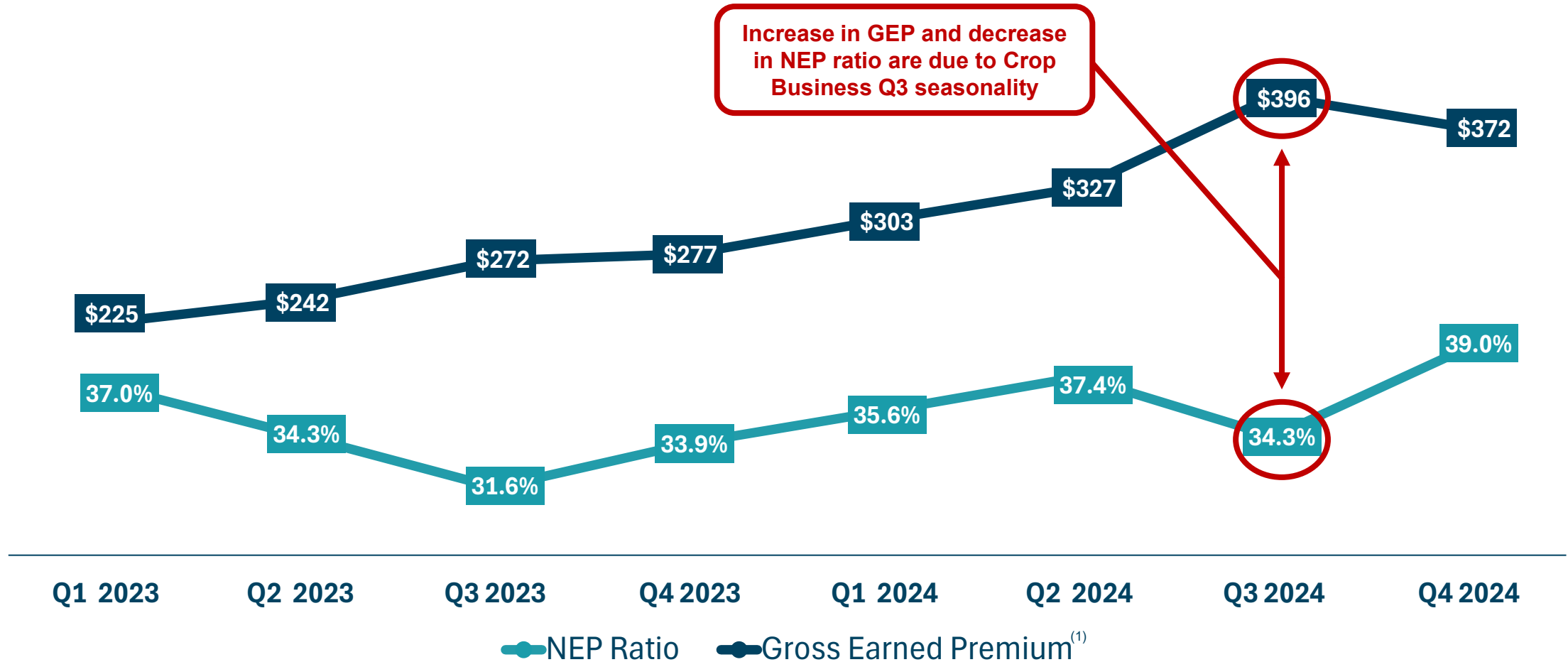
2022		
Adjusted Net Income	Actuals \$71.3M	Goal \$142.7M

2023		
Adjusted Net Income	Actuals \$93.5M	Goal \$187.0M

2024		
Adjusted Net Income	Actuals \$133.5M	Goal \$267.0M

Palomar 2X – Modeling Update

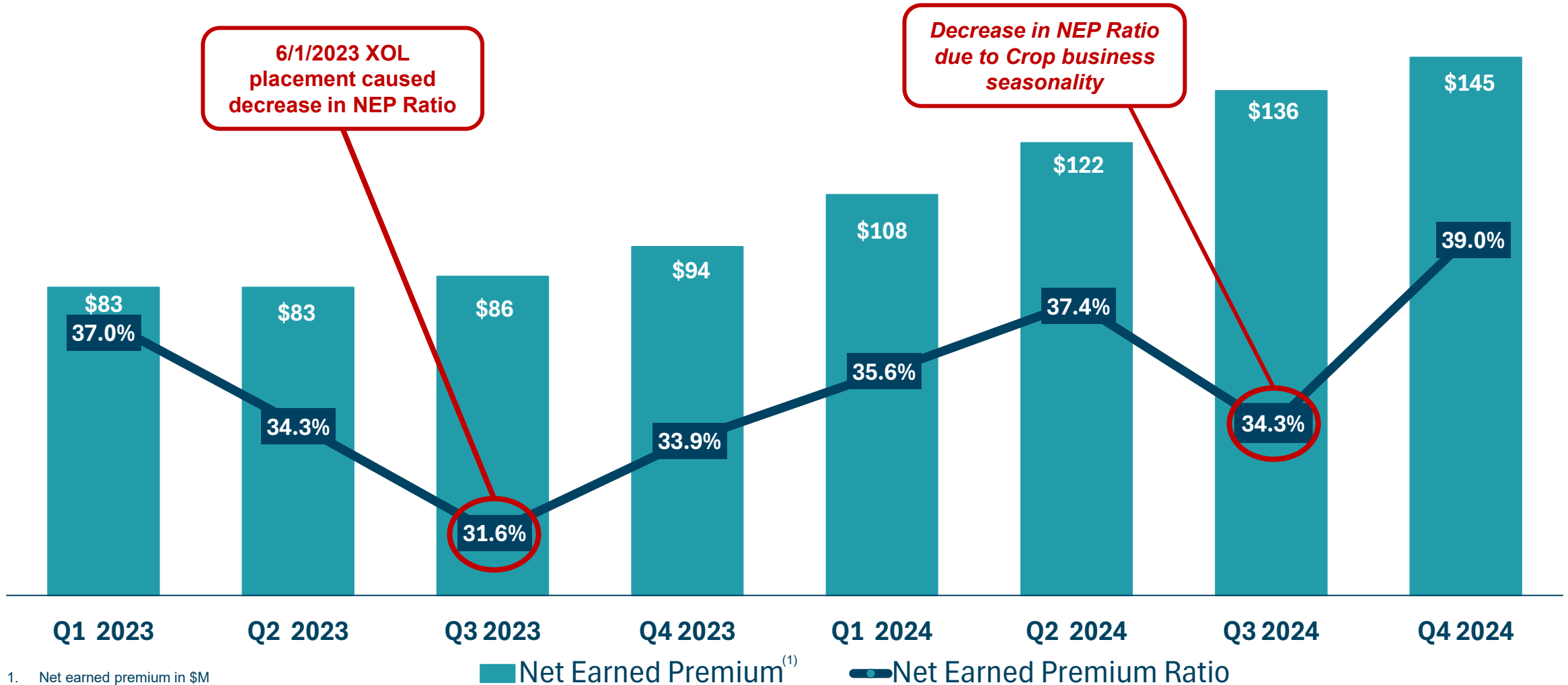
2023-2024 GROSS EARNED PREMIUM AND NET EARNED PREMIUM RATIO



1. Gross Earned Premium in \$M

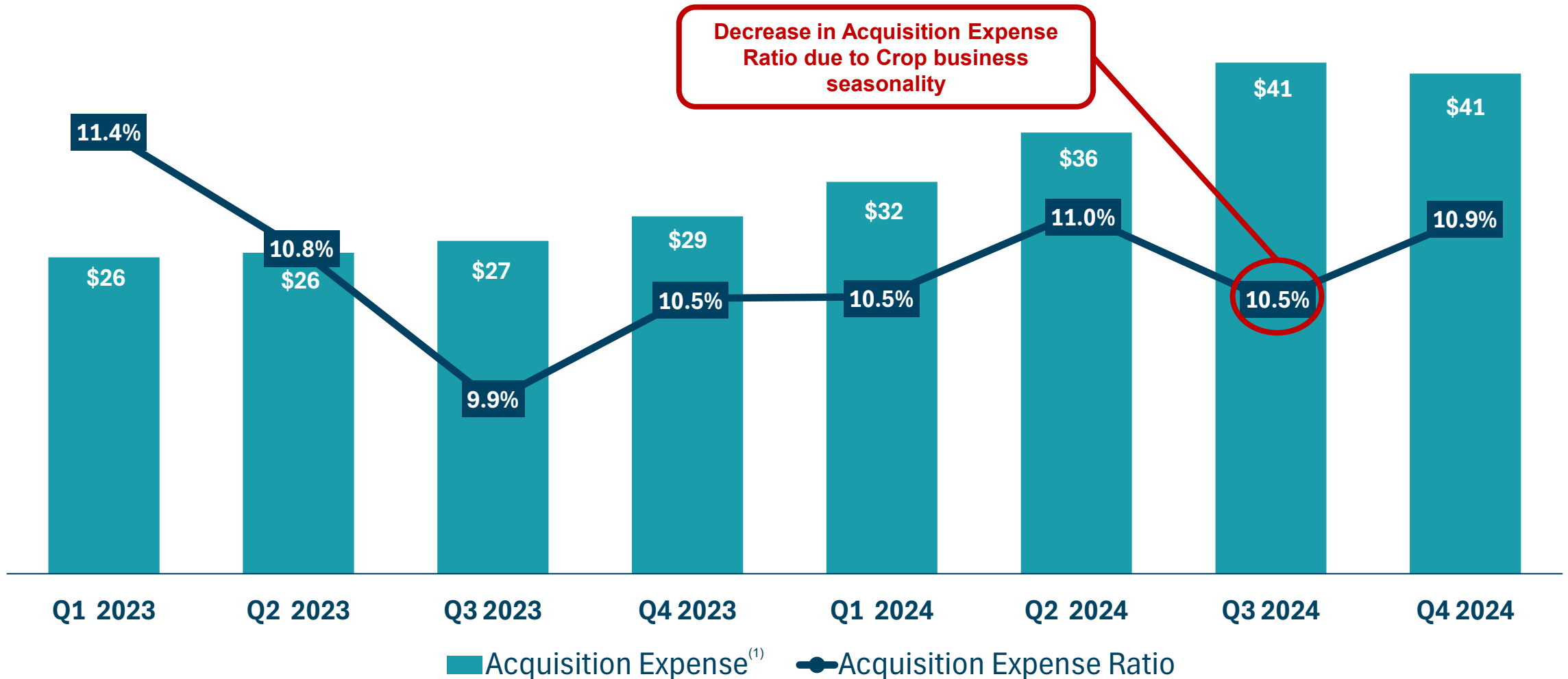
Palomar 2X – Modeling Update

2023-2024 NET EARNED PREMIUM



Palomar 2X – Modeling Update

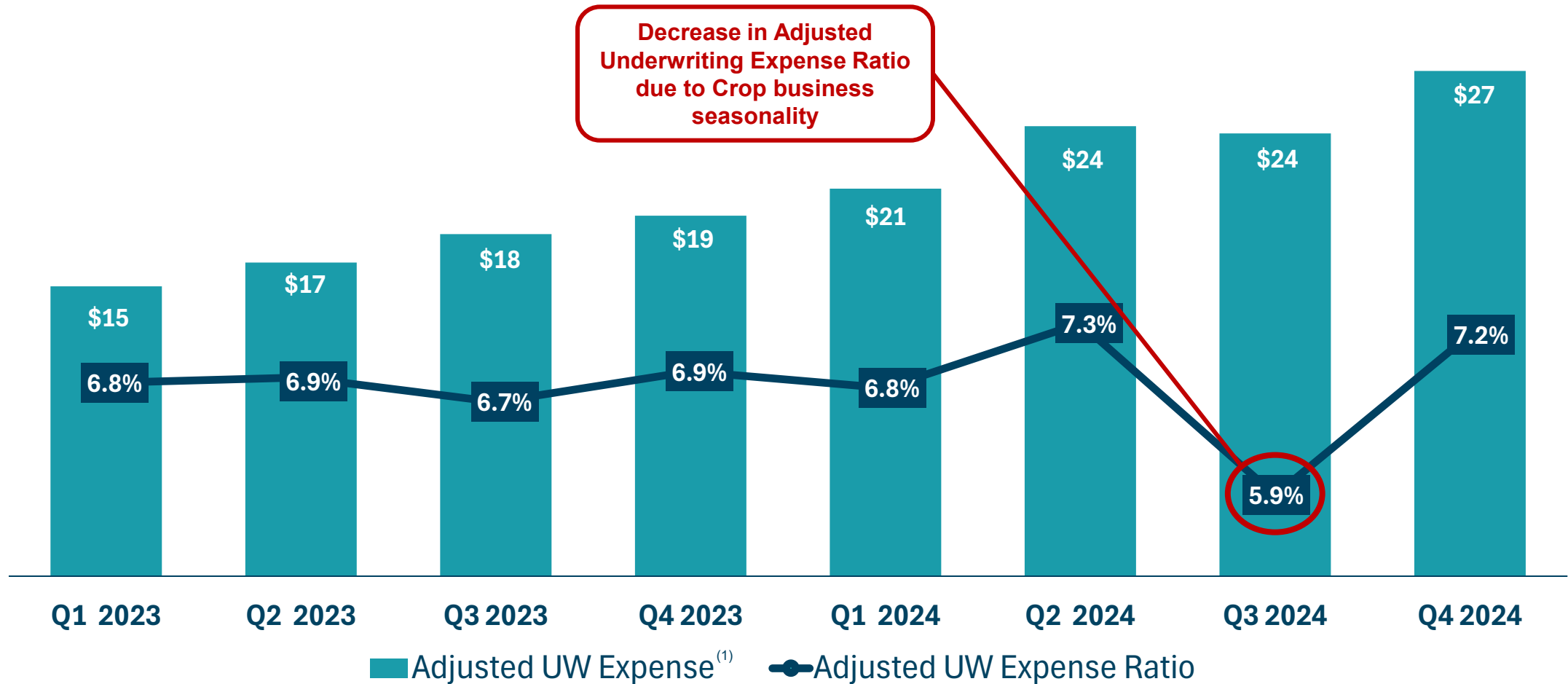
2023-2024 ACQUISITION EXPENSE



1. Acquisition expense in \$M

Palomar 2X – Modeling Update

2023-2024 ADJUSTED UNDERWRITING EXPENSE

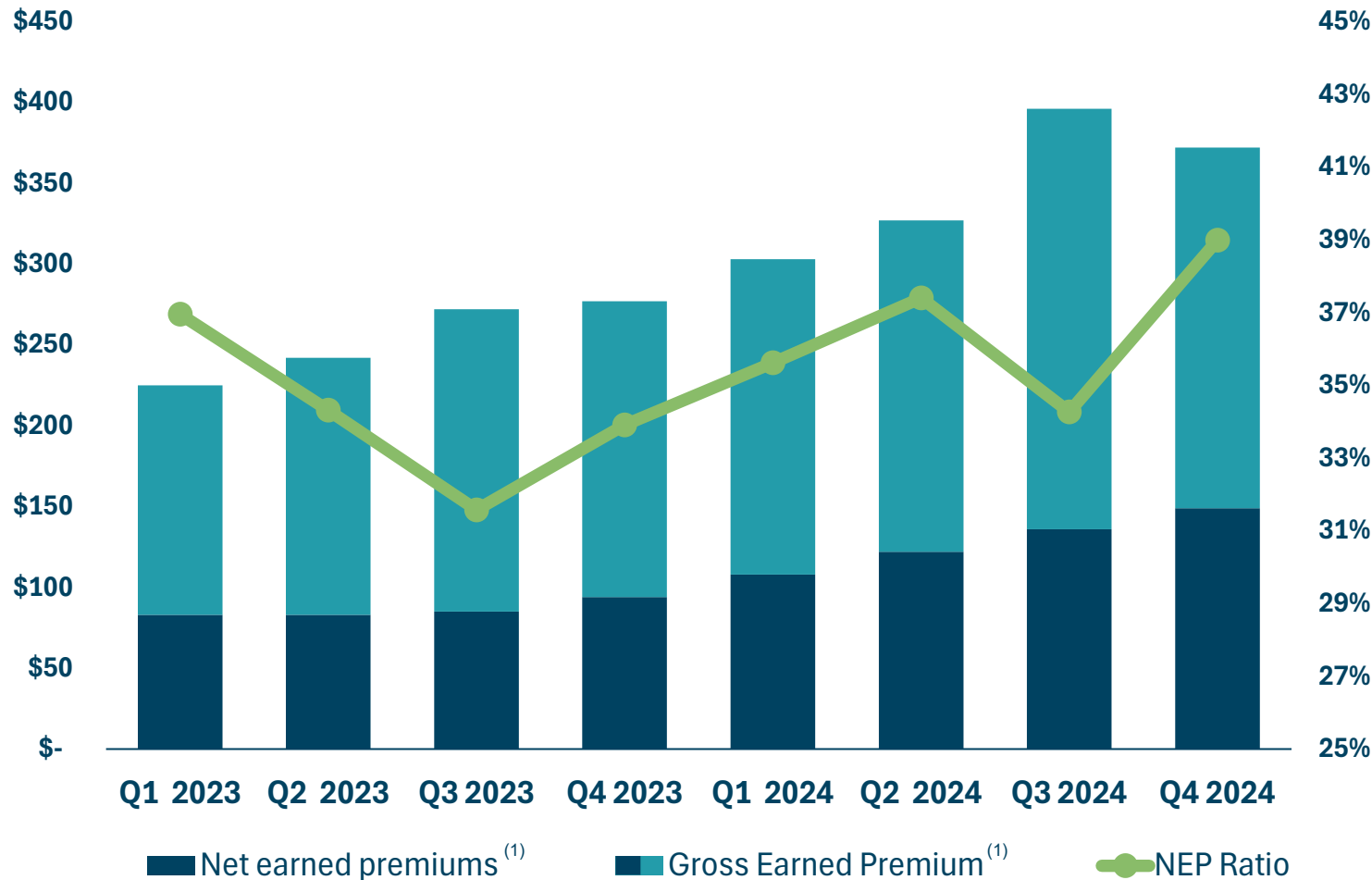


Decrease in Adjusted Underwriting Expense Ratio due to Crop business seasonality

1. Adjusted UW expense in \$M

Palomar 2X – Modeling Update

THIRD QUARTER CROP SEASONALITY AND ITS IMPACT ON NET EARNED PREMIUM RATIO



Crop Season at Palomar

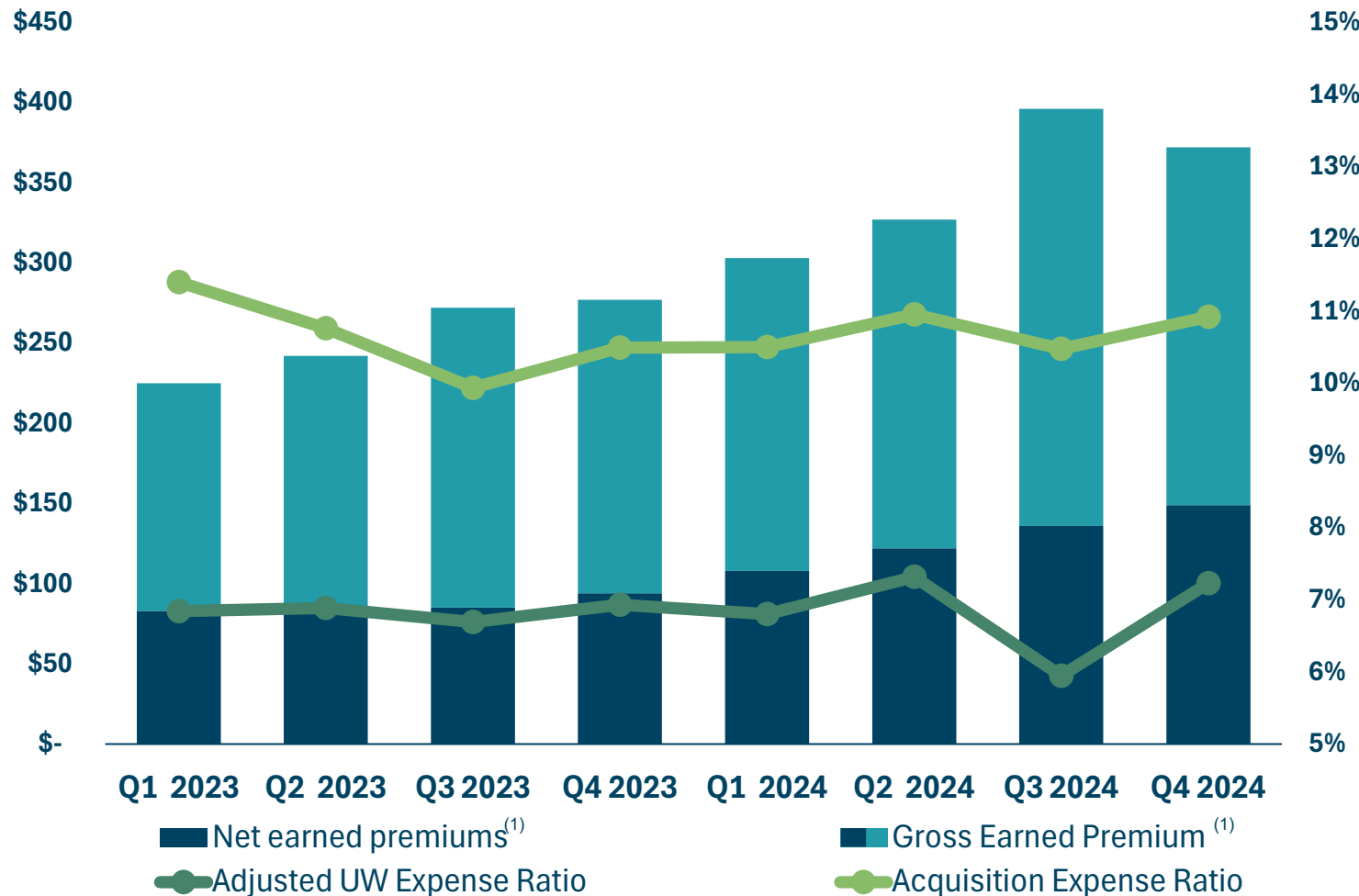
Moving forward, our third quarter results will experience seasonality due to our Crop business:

- Gross and Net Earned Premium will continue to increase for the year but will be seasonally higher in the third quarter
 - The fourth quarter will be more in line with the overall growth trend for the year, but sequentially, we expect both to be lower in the fourth quarter
- Based on our expected participation, we expect the Net Earned Premium ratio to approach 40% for the year, increasing from 36.5% in 2024, with the seasonal low point in the third quarter of the year and continuing to increase from there, similar to prior years pattern

1. Gross and net earned premium in \$M

Palomar 2X – Modeling Update

THIRD QUARTER CROP SEASONALITY AND ITS IMPACT ON ACQUISITION AND ADJUSTED UNDERWRITING EXPENSE RATIOS



Crop Season at Palomar

Continued:

- Acquisition Expense will continue to increase
 - We expect the Acquisition Expense Ratio to be flatter for the year, 10.7% in 2024, with a seasonal dip in the third quarter
- Adjusted UW Expense will continue to increase
 - We expect the Adjusted UW Expense Ratio to be flatter for the year, 6.8% in 2024, with a seasonal dip in the third quarter
- While not shown, on a typical combined ratio basis, we expect our Loss Ratio for the year to be in the low 30's for the year with a seasonal spike in the third quarter closer to the low 40's

1. Gross and net earned premium in \$M

Investment Overview

HIGH QUALITY, LIQUID INVESTMENT PORTFOLIO PROVIDES COMPLEMENTARY EARNINGS STREAM

Objectives: Maintain liquidity, preserve capital, and generate investment income within a comprehensive risk management framework.

Portfolio Construction: We primarily own high quality, liquid corporate bonds and mortgage-backed securities with an appropriate level of cash and cash equivalents. We have a modest allocation to high yield bonds and to the broad equity market, which we access through ownership of passive equity index ETFs.

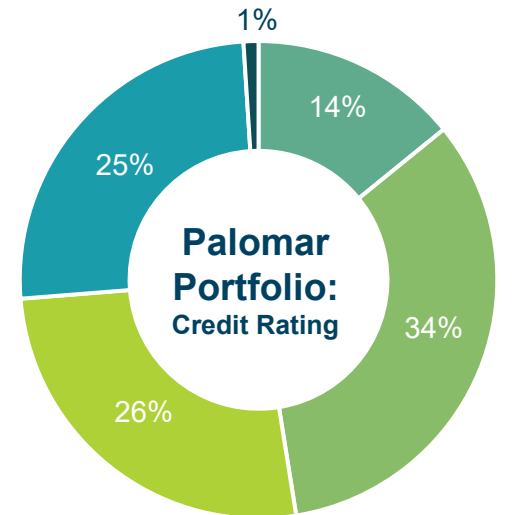
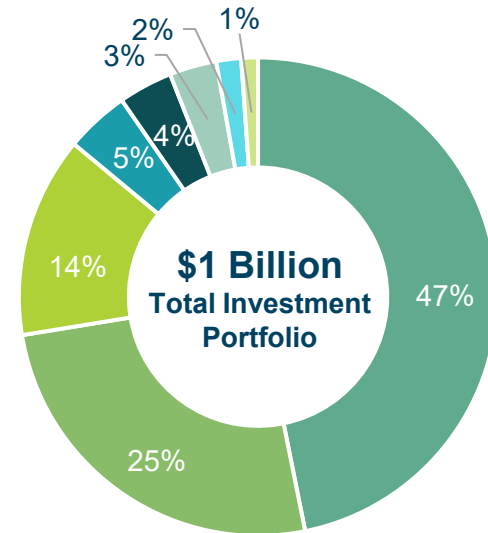
High Quality Orientation: We prioritize high quality assets given currently inadequate compensation for credit risk.

Weighted Average Duration:
4.04 Years

Average Fixed Income Book Yield:
4.6%

Average Portfolio Credit Quality:
“A” S&P

Average Yield on New Investments in Q4 2024:
5.3%



Q&A



Closing Remarks



Closing Remarks

PALOMAR IS BUILDING A SPECIALTY MARKET LEADER

PLMR 2X: It is a philosophy that will sustain profitable growth

Growth: The growth vectors are numerous which affords Palomar the ability to be deliberate if not conservative

We are Investing: Investments across the organization will persist and drive long-term scale and operating leverage

Underwriting & Risk Transfer: Our conservative underwriting & risk management ensure steady returns without sacrificing growth

We have the team: Our team has the experience, expertise and desire to build a best-in-class specialty insurer

THANK YOU FOR YOUR TIME

Appendix



Reconciliation of Non-GAAP Measures Used in this Presentation

WITHIN THIS PRESENTATION, WE HAVE USED CERTAIN NON-GAAP MEASURES. THESE MEASURES RECONCILE TO THEIR MOST COMPARABLE GAAP MEASURES AS FOLLOWS:

<i>(in thousands)</i>	Year Ended December 31,					
	2024	2023	2022	2021	2020	2019
Net income	\$117,573	\$79,201	\$52,170	\$45,847	\$6,257	\$10,621
Adjustments:						
Net realized and unrealized losses (gains) on investments	(4,568)	(2,941)	7,529	(1,277)	(1,488)	(4,443)
Expenses associated with transactions	1,479	706	130	563	708	3,007
Stock-based compensation expense	16,685	14,913	11,624	5,584	2,167	24,103
Amortization of intangibles	1,558	1,481	1,255	1,251	—	—
Expenses associated with retirement of debt	—	—	—	—	—	1,297
Expenses associated with catastrophe bond	2,483	1,640	1,992	1,704	399	—
Tax impact	(1,699)	(1,480)	(3,366)	(1,238)	(338)	(171)
Adjusted net income	\$133,511	\$93,520	\$71,334	\$52,434	\$7,705	\$34,414

Reconciliation of Non-GAAP Measures Used in this Presentation

WITHIN THIS PRESENTATION, WE HAVE USED CERTAIN NON-GAAP MEASURES. THESE MEASURES RECONCILE TO THEIR MOST COMPARABLE GAAP MEASURES AS FOLLOWS:

<i>(in thousands)</i>	Year Ended December 31,			
	2024	2023	2022	2021
Numerator: Sum of losses and loss adjustment expenses, acquisition expenses, and other underwriting expenses, net of commission and other income	\$398,745	\$265,142	\$254,390	\$187,005
Denominator: Net earned premiums	\$510,687	\$345,913	\$316,466	\$233,826
Combined ratio	78.1%	76.6%	80.4%	80.0%
Adjustments to numerator:				
Expenses associated with transactions	\$(1,479)	\$(706)	\$(130)	\$(563)
Stock-based compensation expense	(16,685)	(14,913)	(11,624)	(5,584)
Amortization of intangibles	(1,558)	(1,481)	(1,255)	(1,251)
Expenses associated with catastrophe bond	(2,483)	(1,640)	(1,992)	(1,704)
Adjusted combined ratio	73.7%	71.2%	75.6%	76.1%

Reconciliation of Non-GAAP Measures Used in this Presentation

WITHIN THIS PRESENTATION, WE HAVE USED CERTAIN NON-GAAP MEASURES. THESE MEASURES RECONCILE TO THEIR MOST COMPARABLE GAAP MEASURES AS FOLLOWS:

<i>(in thousands)</i>	Year Ended December 31,			
	2024	2023	2022	2021
Annualized adjusted net income	\$133,511	\$93,520	\$71,334	\$52,434
Average stockholders' equity	\$600,140	\$428,002	\$389,461	\$378,941
Annualized adjusted return on equity	22.2%	21.9%	18.3%	13.8%
Income before income taxes	\$151,196	\$103,642	\$ 67,551	\$ 57,138
Net investment income	(35,824)	(23,705)	(13,877)	(9,080)
Net realized and unrealized losses (gains) on investments	(4,568)	(2,941)	7,529	(1,277)
Interest expense	1,138	3,775	873	40
Underwriting income	\$111,942	\$ 80,771	\$ 62,076	\$ 46,821
Expenses associated with transactions	1,479	706	130	563
Stock-based compensation expense	16,685	14,913	11,624	5,584
Amortization of intangibles	1,558	1,481	1,255	1,251
Expenses associated with catastrophe bond	2,483	1,640	1,992	1,704
Adjusted underwriting income	\$134,147	\$ 99,511	\$ 77,077	\$ 55,923

Beginning in 2022, we modified our definition of adjusted net income to adjust for the net realized and unrealized gains and losses. We believe adding this adjustment provides a more meaningful comparison to our performance. We have modified the prior period figures accordingly.