

KINSALE®
CAPITAL GROUP

August 2023

Photo Credit: Baskervill

Disclaimer

This presentation contains or incorporates by reference forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include any statement that does not directly relate to historical or current facts. These statements may discuss, among other things, Kinsale's future financial performance, business prospects and strategy, anticipated financial position, liquidity and capital, dividends and general market and industry conditions. You can identify forward-looking statements by words such as “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “believes,” “seeks,” “outlook,” “future,” “will,” “would,” “should,” “could,” “may,” “can have” and similar terms. Forward-looking statements are based on management’s current expectations and assumptions about future events, which are subject to uncertainties, risks and changes in circumstances that are difficult to predict. These statements are only predictions and are not guarantees of future performance. Forward-looking statements speak only as of the date on which they are made. Except as expressly required under federal securities laws or the rules and regulations of the SEC, Kinsale does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to Kinsale are expressly qualified by these cautionary statements.

To supplement Kinsale’s consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) and to better reflect period-over-period comparisons, Kinsale uses non-GAAP financial measures of performance and financial position that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures do not replace and are not superior to the presentation of GAAP financial results but are provided to improve overall understanding of Kinsale’s current financial performance and its prospects for the future. Kinsale believes the non-GAAP financial results provide useful information to both management and investors regarding certain additional financial and business trends relating to financial condition and operating results. In addition, management uses these measures, along with GAAP information, for reviewing financial results and evaluating its historical operating performance. The non-GAAP adjustments for all periods presented are based upon information and assumptions available as of the date of this presentation. The non-GAAP information is not prepared in accordance with GAAP and may not be comparable to non-GAAP information used by other companies. For further discussion of the limitations of these non-GAAP financial measures and the reconciliations to the most directly comparable GAAP financial measures, see the Appendix to this presentation.

INTRODUCTION TO KINSALE



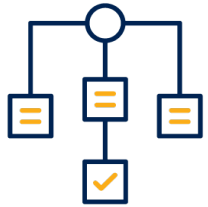
Photo Credit: Baskervill

Overview

Kinsale Capital Group, Inc., founded in 2009, is a specialty insurance company focused exclusively on the excess and surplus lines market in the United States.



Disciplined underwriting focused on small-account, E&S market



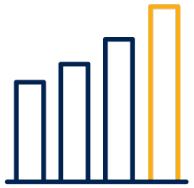
Maintain absolute control over underwriting and claims management processes



Leverage our proprietary technology to operate with a substantial cost advantage over competitors



Employ a quantitative approach—using analytics to drive profitability and operational efficiency



Well-positioned to generate strong returns and robust growth as we expand our 1% market share

Our goal is to provide long-term value to our stockholders by generating exceptional profit and growth

Highly-Experienced Management Team

	Name	Exp.	Prior experience
	**Michael Kehoe** *Founder, President and CEO*	30+ years	President and CEO at James River Insurance from 2002 to 2008
	**Brian Haney** *EVP, Chief Operating Officer*	30+ years	Chief Actuary of James River Insurance from 2002 to 2009
	**Bryan Petrucelli** *EVP, Chief Financial Officer*	30+ years	Senior Manager in Ernst & Young's audit practice for over 13 years
	**Diane Schnupp** *EVP, Chief Information Officer*	30+ years	Principal Consultant Impact Makers, Inc. from 2016 to 2019; Chief Information Officer Capital Center, LLC from 2012 to 2016
	**Mark Beachy** *EVP, Chief Claims Officer*	30+ years	Group General Counsel at The Travelers Indemnity Company from 2018 to 2020; Managing Counsel at Travelers from 2006 to 2018

Select Market Information

As of June 30, 2023

Ticker	**KNSL**
Exchange	**New York Stock Exchange**
Stock Price	**$374.20 per share**
Market Capitalization	**$8.7 billion**
Book Value	**$37.64 per share**
Debt to Total Capitalization Ratio	**18.5%**
Full-time Employees	**526**

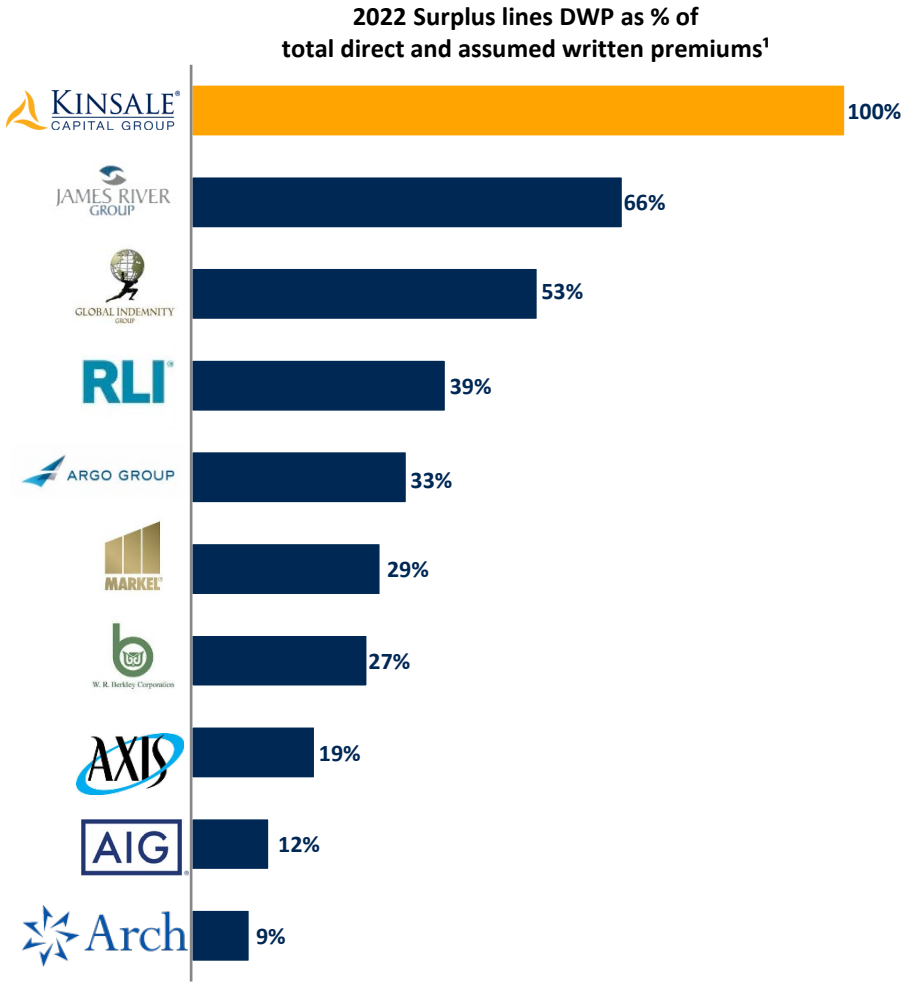
Our Approach

- Exclusive focus on the small-account E&S market
- Disciplined underwriting expertise across a broad spectrum of hard-to-place risks; no delegated underwriting authority
- Technology is a core competency, driving best-in-class expense ratio
- Use analytics to drive profitability and operational efficiency
- Entrepreneurial business culture with a close alignment of owners and employees
- Best combination of high growth and low combined ratio among peers[1]
- Well positioned for continued profitable growth

[1] Public companies comprising the peer group are set forth on Page 14

Kinsale is the only publicly-traded, pure-play E&S investment opportunity

Leading public E&S players



Source: S&P Capital IQ

[1] Statutory surplus lines direct and assumed premiums written as defined by S&P Capital IQ

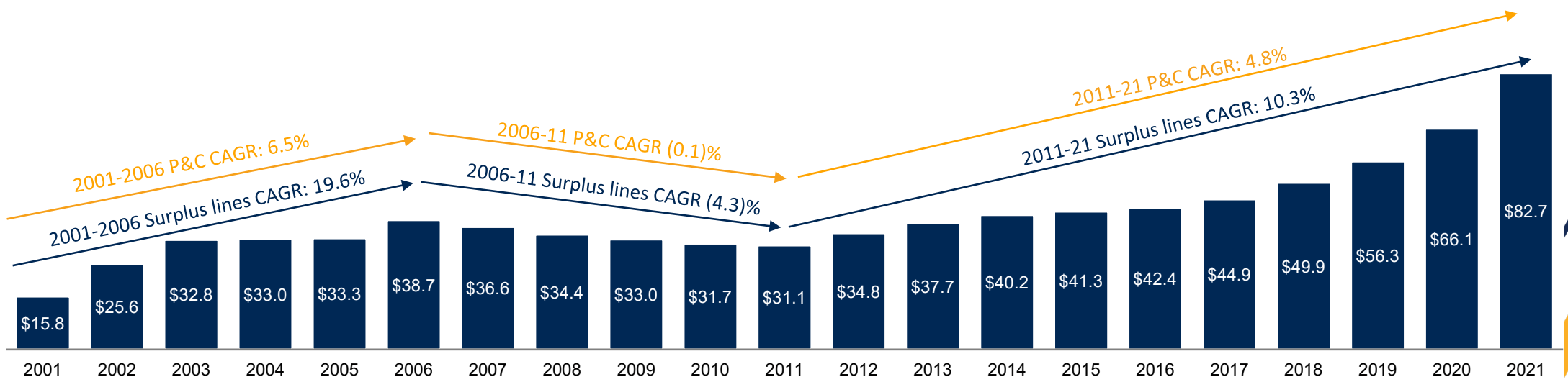
Our differentiating factors

- No delegated underwriting
- Low-cost business model
- Contrarian underwriting
- Quantitative decision making
- Rewarding the doers
- One location, in person

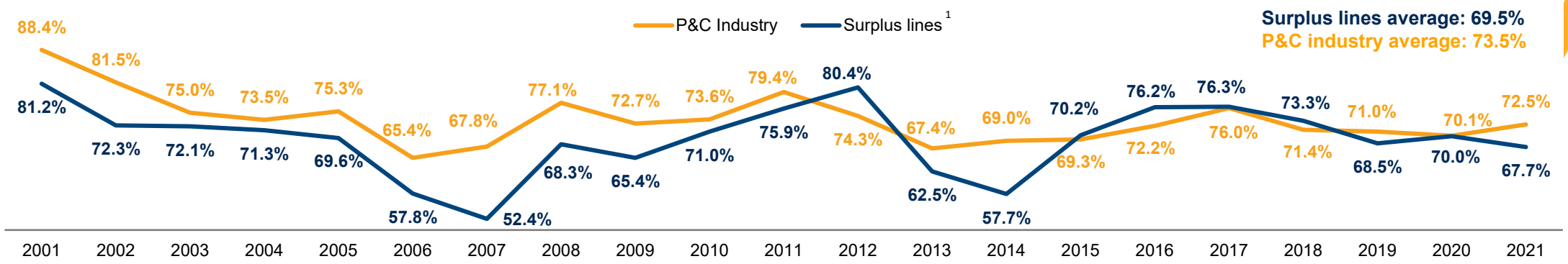
E&S Market

The E&S market has seen significant growth and generated better underwriting results than the broader P&C industry

U.S. surplus lines direct written premiums ($bn)



Net loss and LAE ratio – U.S. domestic professional surplus lines vs. P&C industry



Source: A.M. Best

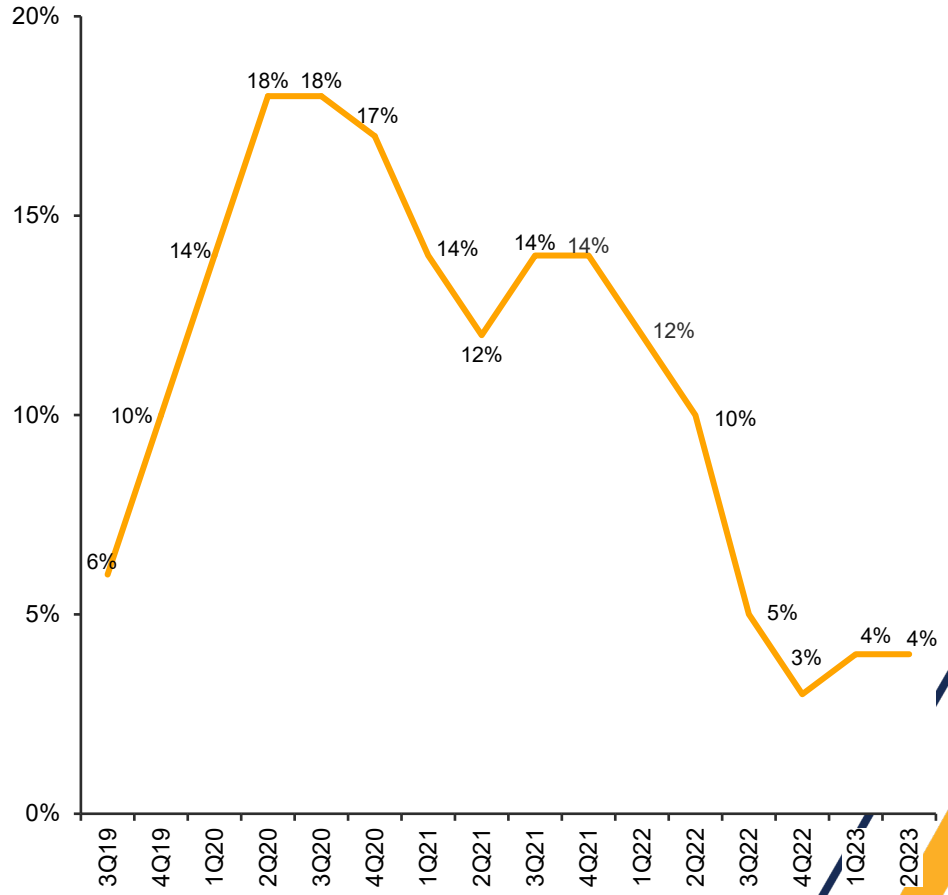
[1] Represents domestic professional surplus lines (DPSL) as defined by A.M. Best

Dislocation in the E&S market creates additional opportunities

2021 E&S market share by DPW[1]

Company	DPW ($mm)	Market Share
Lloyd's	13,872	16.8%
BRK	4,212	5.1%
AIG	4,178	5.1%
MKL	3,530	4.3%
Fairfax	2,997	3.6%
WRB	2,820	3.4%
Nationwide	2,611	3.2%
Chubb	2,443	3.0%
Liberty Mutual	2,209	2.7%
XL Reinsurance	1,906	2.3%
KINSALE CAPITAL GROUP	764	0.9%
Other	41,111	49.6%
Total E&S DPW	**$82,653**	**100.0%**

US composite insurance pricing change[2]

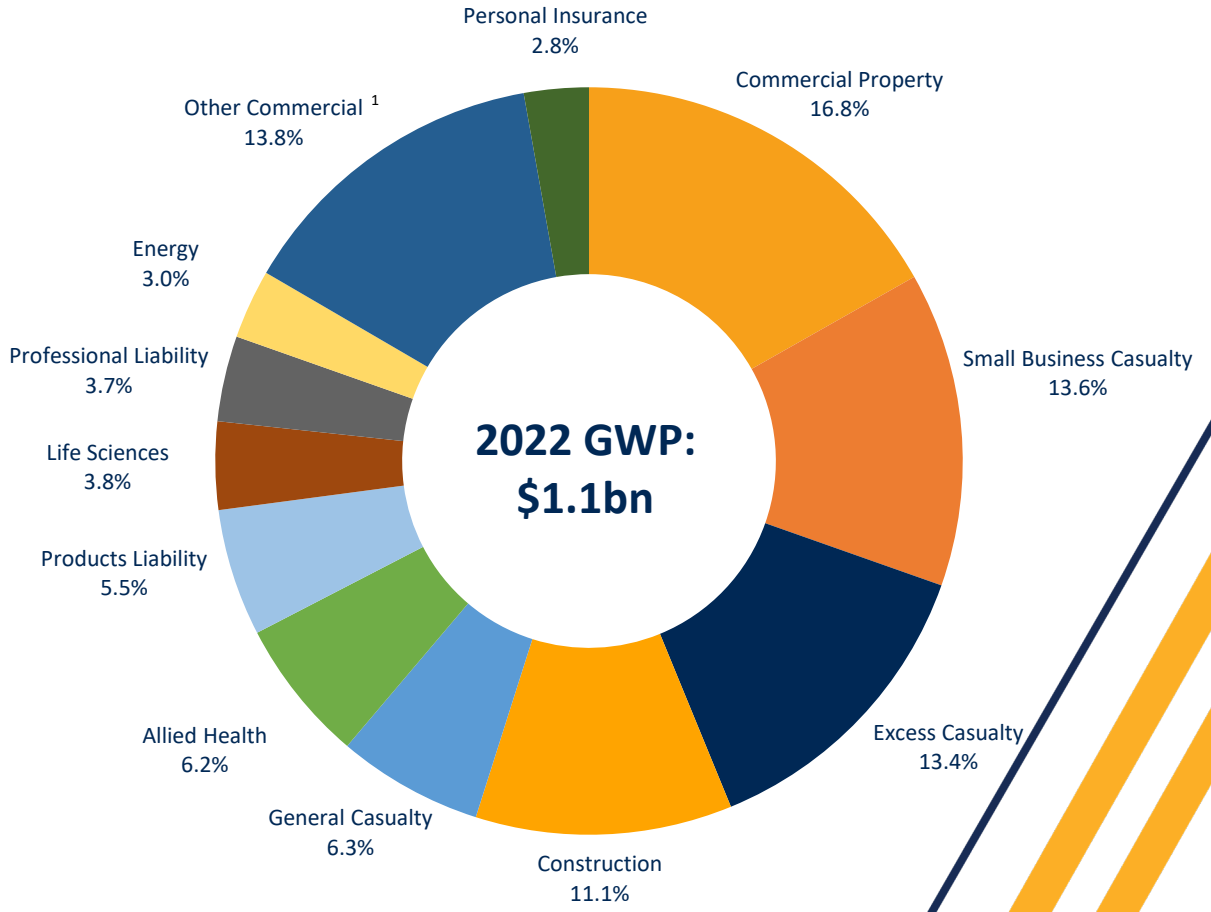


Kinsale is poised to benefit from the growing and progressively dislocated E&S market

[1]Source: AM Best Market Segment Report; [2] Source: Marsh Global Analytics

Our underwriting expertise across a broad spectrum of hard-to-place risks

- Broad appetite to underwrite a diverse set of risks across the E&S market, including some difficult risks where we believe pricing may be attractive
- Highly experienced underwriting team individually underwrites each risk to appropriately price and structure solutions for insureds
- Utilize proprietary technology for efficient customer identification and attractive risk selection
- Balance broad risk appetite by maintaining a diversified book of smaller accounts with strong pricing and well-defined coverages
- Unlike many of our competitors, we do not extend underwriting authority to brokers, agents, or other third parties



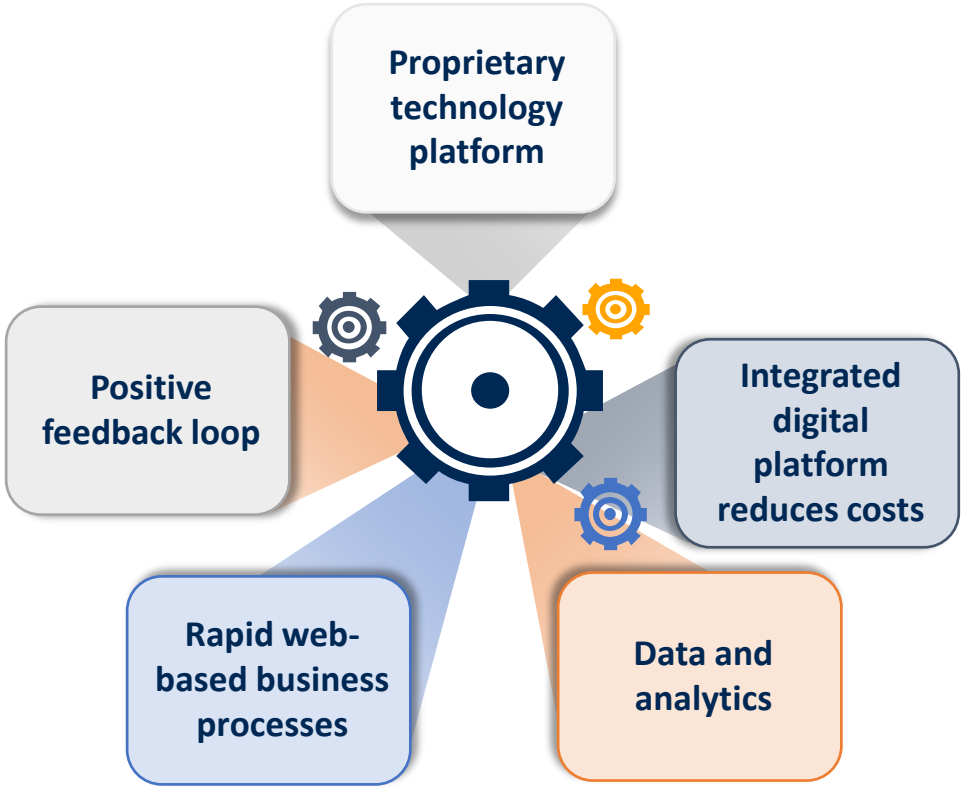
[1] Includes Management Liability, Entertainment, Small Property, Environmental, Health Care, Public Entity, Inland Marine, Commercial Auto, Aviation, Product Recall and Ocean Marine

Product Portfolio

We target classes of business where our underwriters have extensive experience allowing us to compete effectively and earn attractive returns

Gross written premiums by division ('000's)	Year Ended December 31, 2022	2021	2020	2020-2022 CAGR
Commercial:				
Commercial Property	$ 184,766	$ 72,513	$ 48,099	96.0%
Small Business Casualty	149,366	112,553	85,046	32.5%
Excess Casualty	147,485	108,486	76,537	38.8%
Construction	122,524	101,441	87,164	18.6%
General Casualty	69,784	36,043	24,591	68.5%
Allied Health	68,678	59,208	37,562	35.2%
Products Liability	60,374	55,070	38,306	25.5%
Life Sciences	41,346	40,487	31,004	15.5%
Professional Liability	41,273	33,226	27,051	23.5%
Energy	32,974	19,925	16,985	39.3%
Management Liability	30,738	31,304	23,370	14.7%
Entertainment	22,268	12,396	4,614	119.7%
Small Property	21,002	6,160	3,691	138.5%
Environmental	19,455	13,584	8,568	50.7%
Health Care	17,062	11,271	7,666	49.2%
Public Entity	15,512	10,066	3,697	104.8%
Inland Marine	14,396	9,752	6,910	44.3%
Commercial Auto	5,949	977	177	479.7%
Aviation	4,424	2,099	42	926.3%
Product Recall	1,419	810	24	668.9%
Ocean Marine	8	—	—	n/a
Total commercial	**1,070,803**	**737,371**	**531,104**	42.0%
Personal:				
Personal insurance	31,289	27,002	21,710	20.1%
Total	**$ 1,102,092**	**$ 764,373**	**$ 552,814**	41.2%

Technology is a core competency

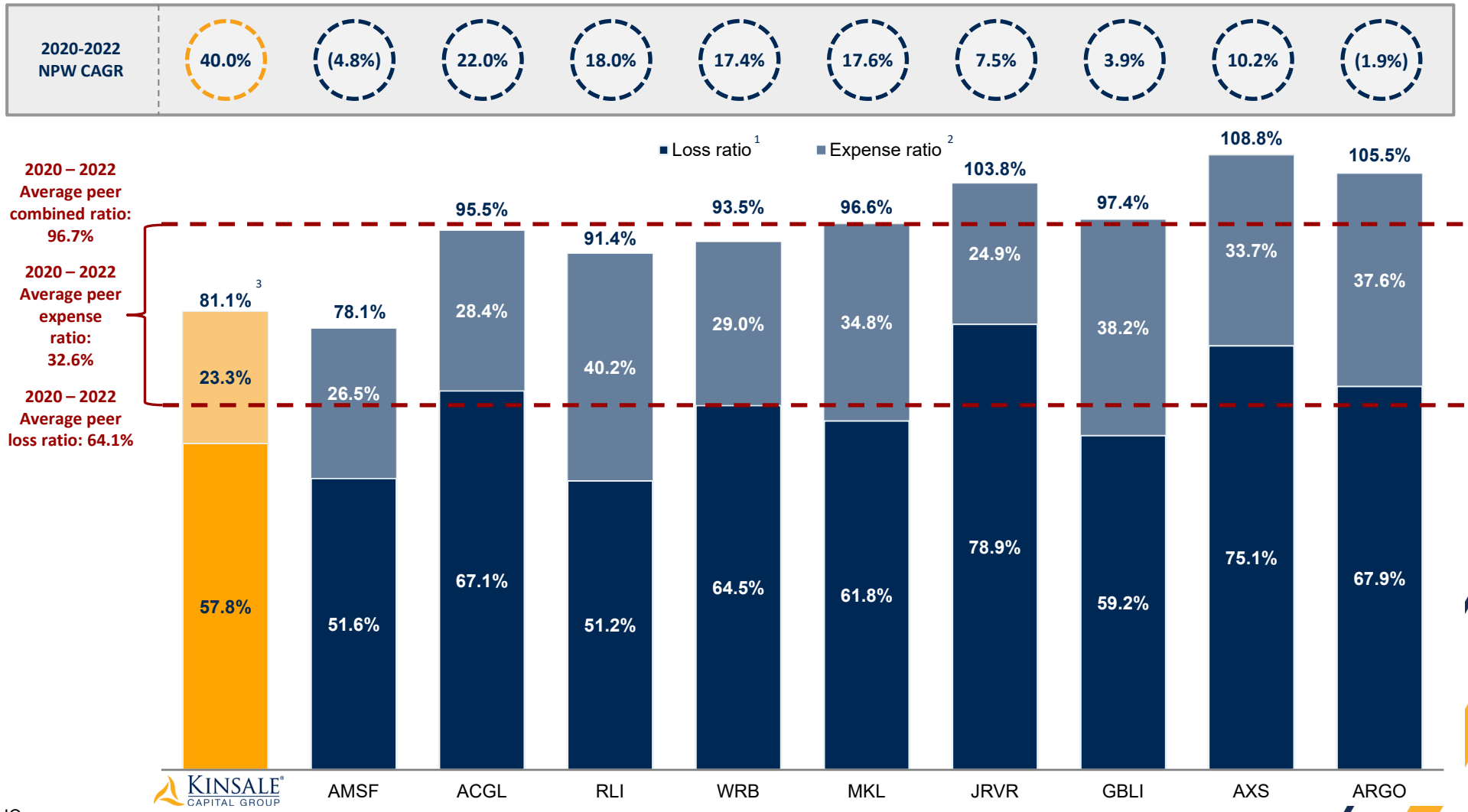


Key highlights

- Proprietary platform design ***reflects the best practices our management team*** has learned from extensive prior experience
- Integrated digital platform ***enables scale, reliability and performance throughout the organization***, promoting clear communication, accurate customer data, and operational efficiency
- Data warehouse systematically collects an ***array of statistical data*** throughout the underwriting process in order to inform future underwriting and business decisions
- Systems architecture minimizes costly data-entry steps and permits the underwriter to ***focus on underwriting the account accurately and rapidly***
- ***Agile development process*** allows our IT department to quickly release application updates across our platform
- ***Efficiency, accuracy, and speed*** in our systems enables a positive feedback loop across our team and creates a competitive advantage

We believe that our technology platform will provide us with an enduring competitive advantage as it allows us to quickly respond to market opportunities, and will continue to scale as our business grows

Our combined ratio is one of the lowest amongst our specialty insurer peers while achieving leading growth among peers



Source: S&P Capital IQ

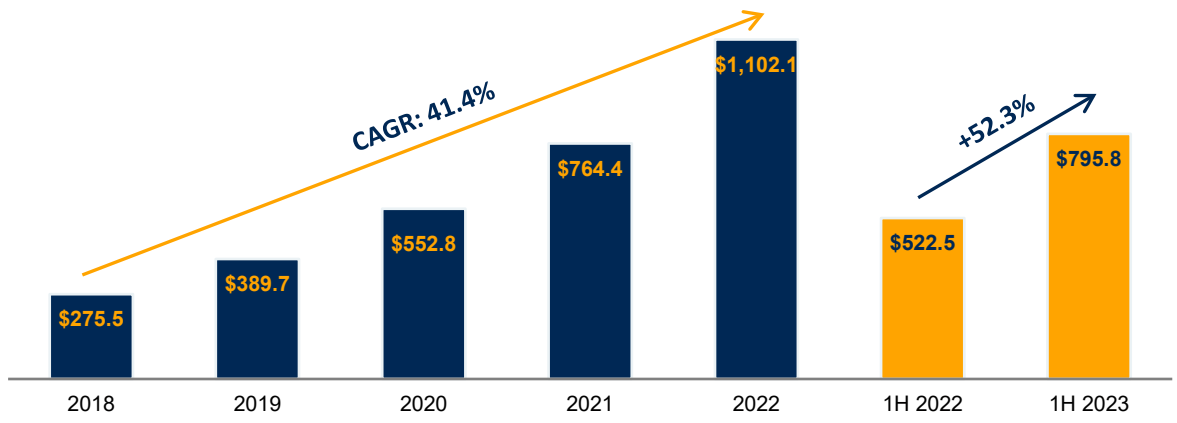
[1] Average of full year loss ratios from 2020 to 2022; [2] Average of full year expense ratios from 2020 to 2022; [3] Starting in the period ended June 30, 2023, the Company reclassified policy fees to fee income. Historically, these fees were presented as a reduction to underwriting, acquisition and insurance expenses. The Company modified the definition of the loss and expense ratios to include fee income in the denominator of each ratio. The Company reclassified prior periods' results to conform to the current period's presentation.

We believe Kinsale is well-positioned for continued profitable growth

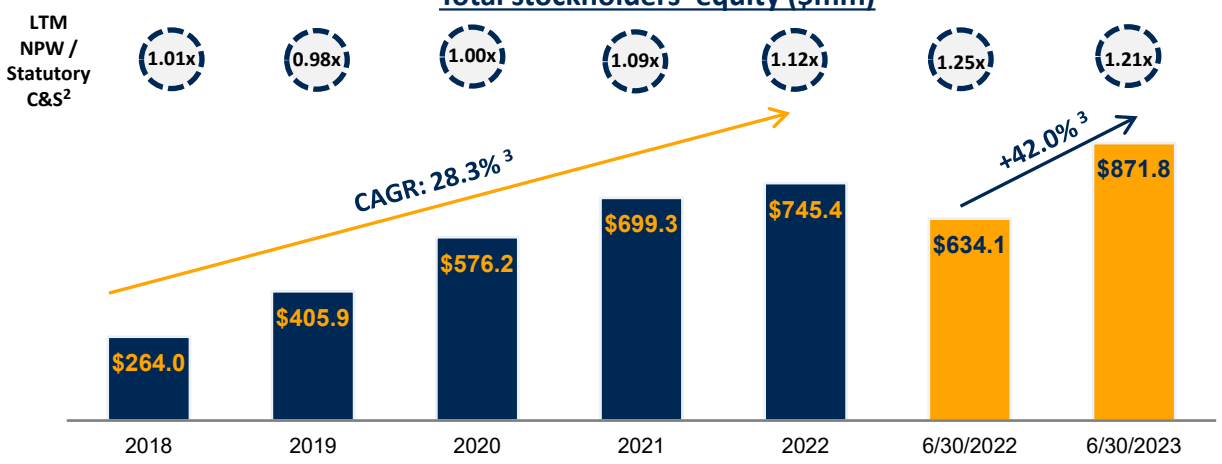
Growth drivers

- Expand our presence in the E&S market, particularly with smaller accounts which we believe are subject to less competition
- Maintain a contrarian risk appetite
- Develop new product offerings where we have underwriting expertise
- Grow Aspera, our wholly-owned broker
- Leverage technology to drive efficiencies and improve service standards
- Maintain a strong balance sheet to ensure a platform for future growth

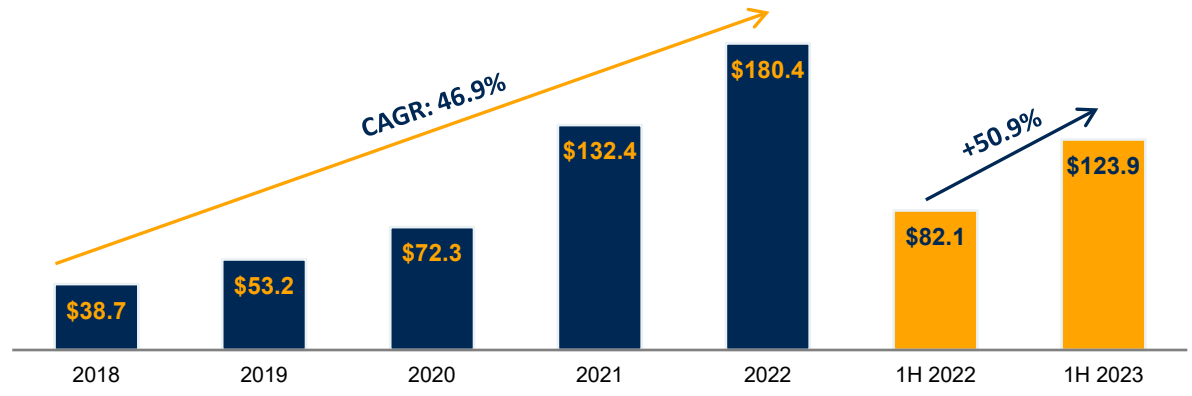
Gross written premiums ($mm)



Total stockholders' equity ($mm)



Net operating earnings[1] ($mm)

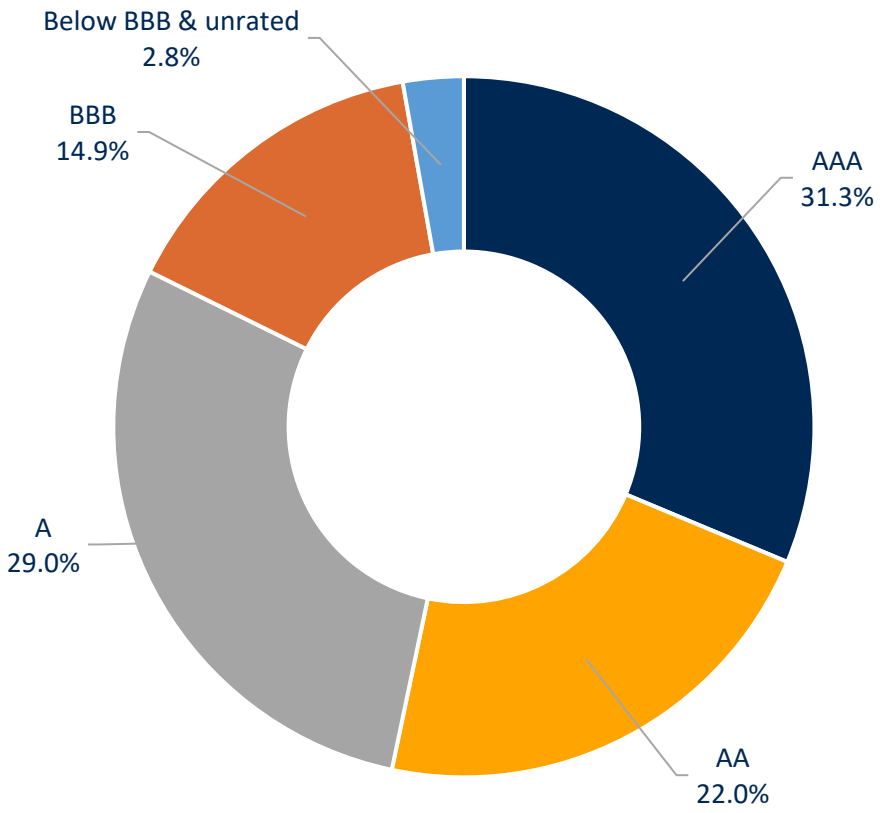


Source: Company filings; Note: [1] Net operating earnings is a non-GAAP financial measure. Please see Page 23: Non-GAAP reconciliation – Net Operating Earnings; [2] Represents Statutory Capital and Surplus ("C&S") of Kinsale Insurance Company; [3] CAGR of stockholders' equity, including cumulative dividends, net of proceeds from equity offerings.

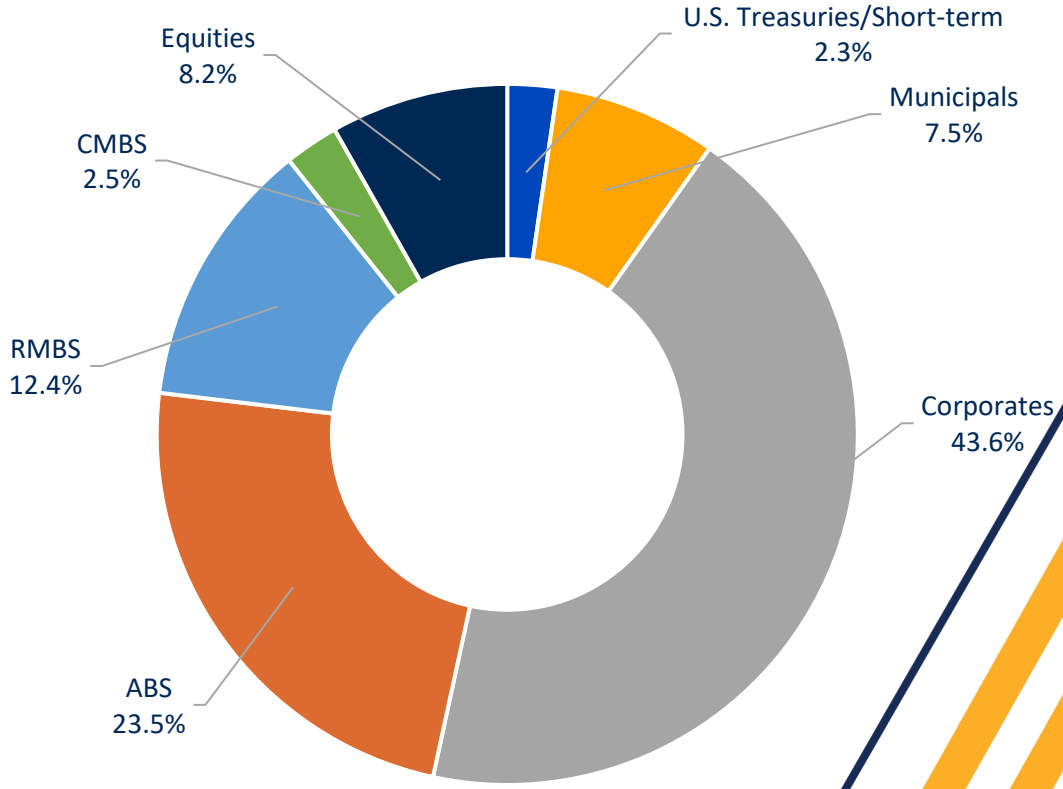
Investment Portfolio

$2.4 Billion Investment Portfolio[1] as of June 30, 2023

Credit Quality – Fixed-Maturity Portfolio



Asset Allocation – Total Investment Portfolio



Conservative, high-quality investment portfolio with an average credit quality of AA-

Note: [1] Excludes assets held for sale of $57.5 million and real estate investments of $19.5 million

FINANCIAL RESULTS



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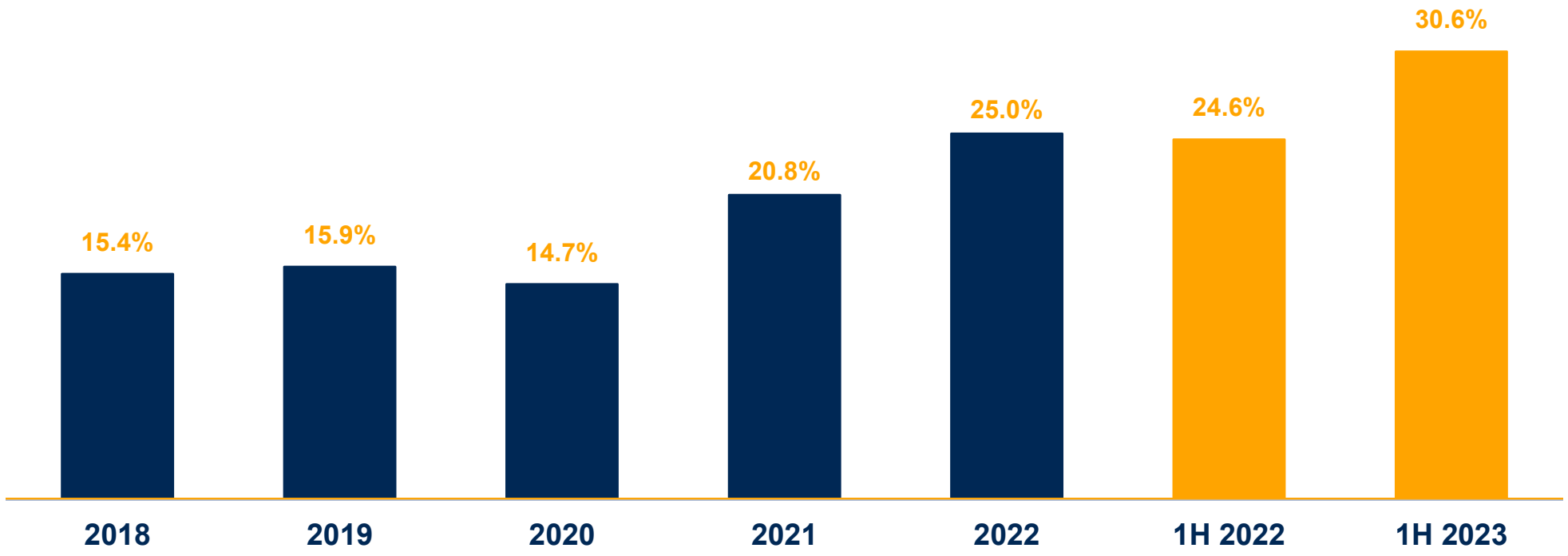
Operating Return on Equity



Operating return on equity is net operating earnings expressed as a percentage of average beginning and ending stockholders' equity during the period. Net operating earnings is a non-GAAP financial measure, please see Page 23: Non-GAAP reconciliation – Net Operating Earnings.

Q2 2023 Financial Update

- Net income increased by 168.7% compared to the second quarter of 2022
- Net operating earnings[1] of $67.2 million increased by 51.2% compared to the second quarter of 2022
- Gross written premiums increased by 58.2% to $438.2 million compared to the second quarter of 2022
- Net investment income increased by 128.2% to $24.2 million compared to the second quarter of 2022
- Underwriting income[2] was $61.5 million in the second quarter of 2023, resulting in a combined ratio of 76.7%
- Annualized operating return on equity[3] was 30.6% for the six months ended June 30, 2023

($mm)	Three months ended June 30, 2022	2023
Gross written premiums	$ 277.0	$ 438.2
Net earned premiums	190.2	257.0
Underwriting income [2]	44.1	61.5
Loss ratio [4]	54.9%	55.7%
Expense ratio [4]	22.5%	21.0%
Combined ratio [4]	77.4%	76.7%
Net income	$ 27.1	$ 72.8
Net operating earnings [1]	44.4	67.2
Total stockholders' equity	634.1	871.8
Annualized operating return on equity [3]	27.3%	31.8%

[1] Net operating earnings is a non-GAAP financial measure, please see Page 23: Non-GAAP reconciliation – Net Operating Earnings; [2] Underwriting income is a non-GAAP financial measure, please see Page 22: Non-GAAP reconciliation – Underwriting Income; [3] Annualized operating return on equity is net operating earnings expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period; [4] Starting in the period ended June 30, 2023, the Company reclassified policy fees to fee income. Historically, these fees were presented as a reduction to underwriting, acquisition and insurance expenses. The Company modified the definition of the loss and expense ratios to include fee income in the denominator of each ratio. The Company reclassified prior periods' results to conform to the current period's presentation.

Selected Financial Data

($000's)	Year ended December 31, 2018	2019	2020	2021	2022	Six months ended June 30, 2022	2023
Operating Results:							
Gross written premiums	$275,538	$389,694	$552,814	$764,373	$1,102,092	$522,514	$795,810
Underwriting income [1]	31,222	43,201	54,656	133,564	175,488	81,658	113,096
Net operating earnings [2]	38,743	53,245	72,313	132,404	180,363	82,104	123,920
Annualized return on equity	13.5%	18.9%	18.0%	23.9%	22.0%	17.7%	31.8%
Annualized operating return on equity [3]	15.4%	15.9%	14.7%	20.8%	25.0%	24.6%	30.6%
Loss ratio [4]	59.1%	58.7%	62.6%	54.4%	56.3%	55.4%	56.4%
Expense ratio [4]	26.5%	26.3%	24.4%	23.2%	22.2%	23.0%	21.3%
Combined ratio [4]	85.6%	85.0%	87.0%	77.6%	78.5%	78.4%	77.7%
Financial Position:							
Cash and invested assets	$643,051	$908,234	$1,288,555	$1,685,717	$2,186,569	$1,764,273	$2,611,377
Stockholders' equity	263,986	405,880	576,238	699,335	745,449	634,066	871,815

[1] Underwriting income is a non-GAAP financial measure, please see Page 22: Non-GAAP reconciliation – Underwriting Income; [2] Net operating earnings is a non-GAAP financial measure, please see Page 23: Non-GAAP reconciliation – Net Operating Earnings; [3] Annualized operating return on equity is net operating earnings expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period; [4] Starting in the period ended June 30, 2023, the Company reclassified policy fees to fee income. Historically, these fees were presented as a reduction to underwriting, acquisition and insurance expenses. The Company modified the definition of the loss and expense ratios to include fee income in the denominator of each ratio. The Company reclassified prior periods' results to conform to the current period's presentation.

APPENDIX

Photo Credit: Baskervill

Non-GAAP reconciliation – Underwriting Income

	Year ended December 31,					Three months ended June 30,		Six months ended June 30,	
($000's)	2018	2019	2020	2021	2022	2022	2023	2022	2023
Net income	$ 33,787	$ 63,316	$ 88,419	$ 152,659	$ 159,114	$27,090	$72,791	$58,881	$128,591
Income tax expense	6,693	12,735	11,994	36,142	36,450	5,352	17,319	12,433	29,912
Income before income taxes	40,480	76,051	100,413	188,801	195,564	32,442	90,110	71,314	158,503
Net investment income	(15,688)	(20,133)	(26,110)	(31,048)	(51,282)	(10,594)	(24,172)	(19,682)	(44,867)
Change in the fair value of equity securities	6,555	(12,389)	(16,855)	(22,812)	27,723	23,353	(5,811)	31,104	(9,329)
Net realized investment losses (gains)	(281)	(359)	(3,533)	(2,828)	(1,191)	(1,413)	(1,291)	(1,708)	3,361
Change in allowance for credit losses on investments	-	-	-	-	366	-	(25)	-	56
Interest expense	-	-	168	994	4,284	337	2,724	590	5,294
Other expenses [1]	168	57	1,207	669	721	166	417	309	819
Other income	(12)	(26)	(634)	(212)	(697)	(145)	(435)	(269)	(741)
Underwriting income	$ 31,222	$ 43,201	$ 54,656	$ 133,564	$ 175,488	$44,146	$61,517	$81,658	$113,096

[1] Other expenses are comprised of corporate expenses not allocated to the Company's insurance operations.

Non-GAAP reconciliation – Net Operating Earnings

($000's)	Year ended December 31, 2018	2019	2020	2021	2022	Three months ended June 30, 2022	2023	Six months ended June 30, 2022	2023
Net income	$33,787	$63,316	$88,419	$152,659	$159,114	$27,090	$72,791	$58,881	$128,591
Adjustments:									
Change in the fair value of equity securities, before taxes	6,555	(12,389)	(16,855)	(22,812)	27,723	23,353	(5,811)	31,104	(9,329)
Income tax expense (benefit) [1]	(1,377)	2,602	3,540	4,791	(5,822)	(4,904)	1,220	(6,532)	1,959
Change in the fair value of equity securities, after taxes	5,178	(9,787)	(13,315)	(18,021)	21,901	18,449	(4,591)	24,572	(7,370)
Net realized investment losses (gains), before taxes	(281)	(359)	(3,533)	(2,828)	(1,191)	(1,413)	(1,291)	(1,708)	3,361
Income tax expense (benefit) expense [1]	59	75	742	594	250	297	271	359	(706)
Net realized investment losses (gains), after taxes	(222)	(284)	(2,791)	(2,234)	(941)	(1,116)	(1,020)	(1,349)	2,655
Change in allowance for credit losses on investments, before taxes	-	-	-	-	366	-	(25)	-	56
Income tax (benefit) expense [1]	-	-	-	-	(77)	-	5	-	(12)
Change in allowance for credit losses on investments, after taxes	-	-	-	-	289	-	(20)	-	44
Net operating earnings	$38,743	$53,245	$72,313	$132,404	$180,363	$44,423	$67,160	$82,104	$123,920
Average stockholders' equity	$251,088	$334,933	$491,059	$637,787	$722,392	$649,818	$843,773	$666,701	$808,632
Annualized operating return on equity [2]	15.4%	15.9%	14.7%	20.8%	25.0%	27.3%	31.8%	24.6%	30.6%

[1] Income taxes on adjustments to reconcile net income to net operating earnings use an effective tax rate of 21%; [2] Annualized operating return on equity is net operating earnings expressed as a percentage of average beginning and ending stockholders' equity during the period.