HALLMARK FINANCIAL

SPECIALTY PROPERTY & CASUALTY INSURANCE SOLUTIONS

Q4 2020

Investor Presentation (Revised)

Safe Harbor

Risks Associated with Forward-Looking Statements Included in this Presentation:

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are intended to be covered by the safe harbors created thereby. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate” or similar expressions. These statements may include the plans and objectives of management for future operations, including plans and objectives relating to future growth of our business activities and availability of funds. Statements regarding the following subjects are forward-looking by their nature:

- our business and growth strategies;
- our performance goals;
- our projected financial condition and operating results;
- our understanding of our competition;
- industry and market trends;
- the impact of technology on our products, operations and business; and
- any other statements or assumptions that are not historical facts.

The forward-looking statements included in this presentation are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these forward-looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions, legislative initiatives, regulatory framework, weather-related events and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. These forward-looking statements are not guarantees of future performance, and a variety of factors could cause our actual results to differ materially from the anticipated or expected results expressed in these forward-looking statements. Although we believe that the assumptions underlying these forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation that our objectives and plans will be achieved.

More information about forward-looking statements and the risk factors associated with our company are included in our annual, quarterly and other reports filed with the Securities and Exchange Commission. The Company does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

Company Overview

Company Overview

- **Specialty insurance company** headquartered in Dallas, TX with **400+ employees**
- Targeting primarily **Excess & Surplus lines** for small to mid-sized enterprise (SME) risks in specialty and niche markets where there is an opportunity to achieve higher returns on capital
- Operating through several unique strategies and organized by product line, the Company is well-positioned to take advantage of the current market opportunities
- Company undertook a comprehensive **transformation**, starting in 2014:
  - ✓ Overhauled existing businesses
  - ✓ Organically developed new specialty products
  - ✓ Attracted new talent and expertise throughout the company
  - ✓ Modernized & centralized Claims, IT and Actuarial functions; strengthened the control environment

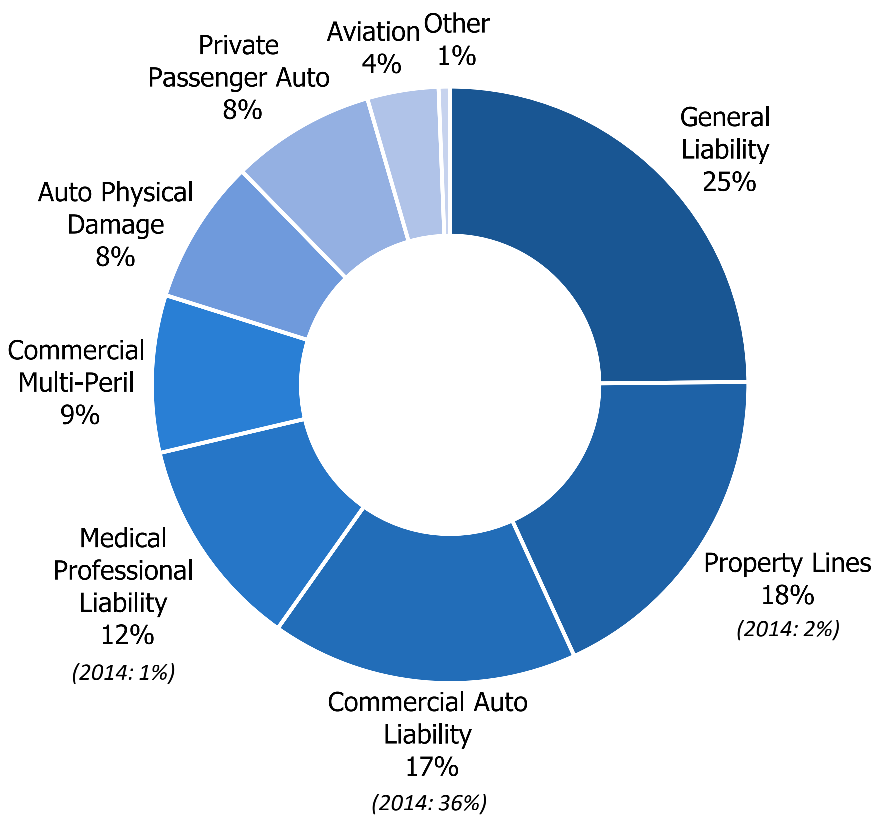
Business Strategy

- Maintain a **diversified portfolio** of products to reduce risk to severity in any one line of business, better weather market cycles, and be flexible and able to adjust capacity to positive rate environments
- Invest in **talent and expertise** with proven track records to drive market access and bring industry experience to bear on risk selection and pricing
- **Utilize technology** to enhance knowledge of insureds (our customers) to better price risks, and to provide better service to agents and brokers (our clients)
- Deploy a **disciplined investment approach** to maintain a conservative investment risk profile while maximizing long-term after-tax total returns
- Manage and maintain a **low expense ratio** as a competitive advantage when pricing risks and scaling the business

Business Profile

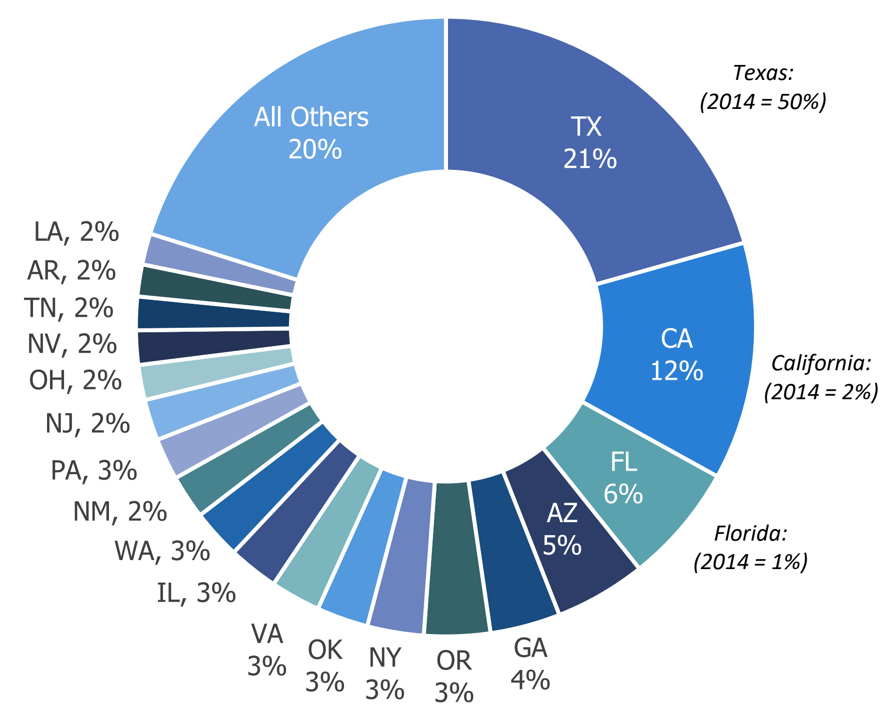
Hallmark Financial has a diversified portfolio with a balanced risk profile and a growing national footprint

Lines of Business



We are a casualty focused company and continue to diversify beyond Commercial and Personal Auto

Geography



We write business in all 50 states, and continue to grow our premium base nationally to capitalize on new opportunities and improve our geographic spread of risk

*Charts based on Gross Premiums Written for FY 2020

Product Groups

Our **Product Groups** are organized by products and distribution channel, led by experienced underwriting teams and supported by actuaries and data scientists

- The Company **targets primarily Excess & Surplus lines for small- to mid-sized enterprise ("SME") risks** in specialty and niche markets where there is an opportunity for **higher returns on capital**
- The Company's operations are **grouped into product-specific business units** that are **organized by product lines and distribution channels**. These business units are segregated into three industry segments
- Each product line is targeted based on profitability and market opportunity with a focus on underserved markets that require specialized underwriting skills

SPECIALTY COMMERCIAL								STANDARD COMMERCIAL	PERSONAL
Commercial Auto	**E&S Casualty**	**E&S Contract Binding**	**E&S Property**	**Pro – Financial Lines**	**Pro – Healthcare**	**Specialty Aviation**	**Discontinued Lines**	**Commercial Accounts (CIS)**	**Personal Lines**
Trucking (targeting specialty classes)	GL for SME risks with a focus on Construction, Light Mfg., Products & Premises Liability	Small E&S Accounts (GL & Commercial Package)	Shared & Layered Property Risks	D&O and E&O for SME risks	Medical Professional Liability for Hospitals, Medical Facilities and Physicians	Personal & Small Aircraft; Airport Liability	Binding Primary Auto; Business produced by MGAs	Commercial Package for SME risks within targeted specialties	Non-standard Auto & Renters
Wholesale	Wholesale	Wholesale	Wholesale	Wholesale	Wholesale	Retail Agents	N/A	Retail Agents	Retail Agents
Admitted & E&S	E&S	E&S	E&S	E&S	E&S	Admitted	Admitted & E&S	Admitted	Admitted

2020 Highlights

Developments

- **3/2/20** Company announced significant adverse prior year loss reserve development primarily related to its Binding Commercial Auto business for the 2016 and 2017 underwriting years. On **3/4/20**, AM Best placed the Company's A- rating under review
- **3/5/20** Company dismissed BDO as its auditor. On **3/12/20**, the Company hired Baker Tilly
- **3/18/20 – 9/14/20** Due to the late filing of the 2019 Form 10-K and Q1 2020 Form 10-Q, the Company received noncompliance notices from NASDAQ. The Company filed a plan to regain compliance with NASDAQ and was granted an extension through **9/14/20**
- **COVID-19** related market declines impacted the Company's investment portfolio in Q1 2020, and had a smaller impact on the Company's net reserves ($5M in reserves through Q4 2020)

Response

- **3/2/20** Company exited its Binding Commercial Auto business; new business was immediately discontinued
- **7/16/20** Marketed and signed a loss portfolio transfer ("LPT") agreement related to approx. $151.2 million in net commercial auto reserves
- On **6/29/20**, filed 2019 10-K with an unqualified audit opinion from Baker Tilley . The Q1 2020 10-Q was filed on **7/24/20,** and the Q2 10-Q was timely filed on **8/10/20.** The Company regained compliance with all NASDAQ listing requirements
- **Q1 2020** Management reallocated capital supporting the investment portfolio to insurance underwriting operations. Reduced exposure to equities and below investment grade securities. Provided cash for the LPT transaction
- **10/16/20** AM Best affirms A- rating with a negative outlook, removes under review status

Exit of Binding Commercial Auto in 2020

- **Business Profile** (at year-end 2019)
  - 2019 Premiums: $114M (a 38% reduction since 2016)
  - 4,200 Policies (13,500 Power Units – 65% trucking)
  - Four States (TX-87%, OK, AR, MO)
  - Business placed by General Agents
- **Market Related Concerns**
  - Primary Commercial Auto continues to have high severity driven by loss emergence
  - Heavy geographic concentration (Texas)
  - Very small fleets (3 power units on average) with limited risk management
  - Insureds highly price sensitive and generally unable to absorb large rate increases
- **Historical Performance**
  - This business is responsible for the bulk of the Company's recent adverse prior year development ("PYD")
    - Q4 2019 Binding Auto adverse PYD = **$32.4 million**
    - Cumulative (2015 – 2019) Binding Auto adverse PYD = **$107 million**
    - % of Total Company PYD (between 2015 and 2019) = **100%**
  - Prior to 2019, this business had minimal reinsurance, and accounted for over 50% of the Company's net premiums prior to 2018
  - The calendar year Combined Ratio for this business in 2019, including prior year development, was 135.1%

Timeline of Events

- Discontinued writing new business on **2/4/20**
- Filed and received approval for withdrawal plans with state regulators
- Non-renewed all business prior to 9/30/20;
- Total Gross Premiums Written of **$25.4M** in 2020
- Earned premiums will continue to decline; runoff of the book is expected to be completed by end of Q3 2021

Loss Portfolio Transfer (LPT)

Transaction Goals

- Decrease earnings volatility resulting from Binding Commercial Auto reserve uncertainty
- Strengthen capital position and seek to protect the rating
- Limit the impact from future adverse reserve development by ringfencing this exposure
- Bring further clarity about the potential future impact of this business on the Company's results

LPT Cost (Q3 2020)

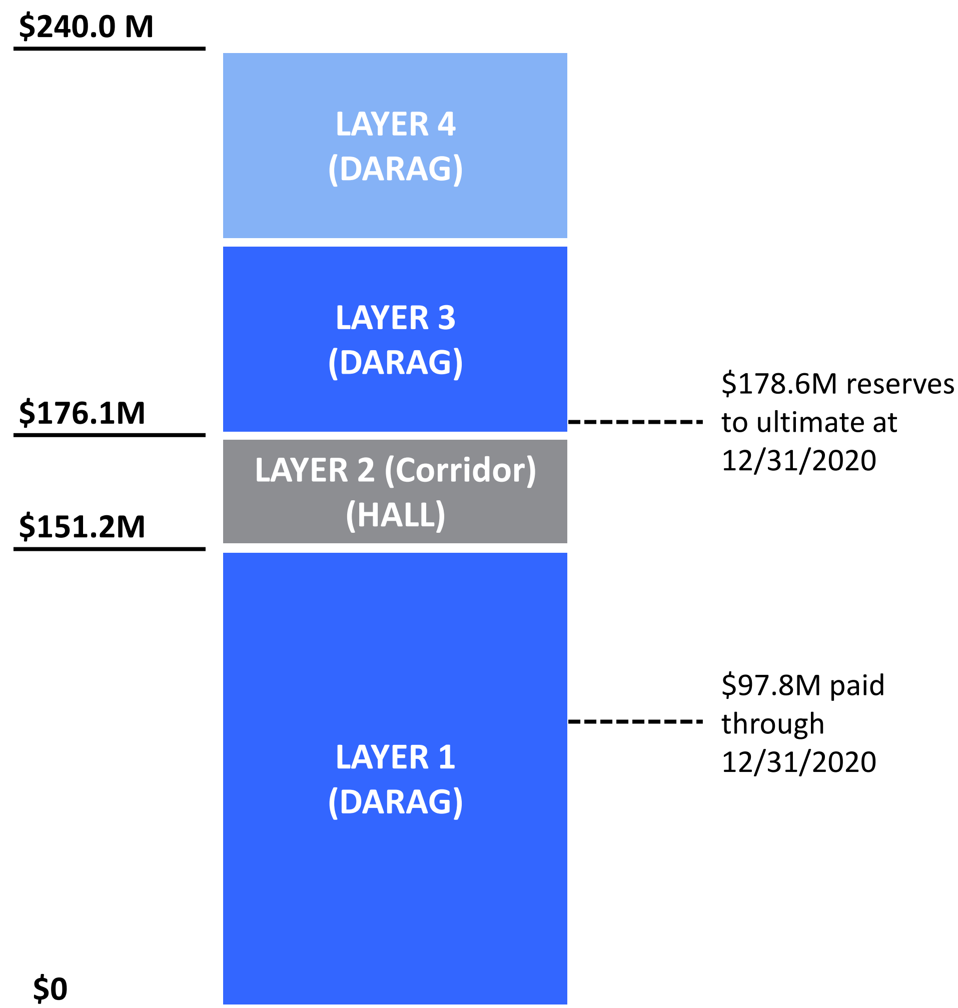
Nominal Premium[1]	$172.9M
Less: Claims Paid through Closing[2]	$80.3M
Less: Reserves at Closing	$70.9M
Net (pre-tax) Expense	**$21.7M**

Reserve Breakdown

At 12/31/2020

Reserves to Ultimate	$178.6M
Less: Claims Paid	$97.8M
Current Transaction Reserves	**$80.8M**
Less: Retained by Hallmark	$24.9M
Reserves attributed to LPT Reinsurers	**$55.9M**

Transaction Structure



Based on Losses Paid since 1/1/2020

(1) Nominal amount for determination of premium (adjusts for claims payments in 2020 prior to transaction close)
(2) Paid claims were estimated at closing

Q4 2020 Results

Q4 2020

Net Income (Loss):	$(6.0) million or $(0.33) per share[1]
Operating Earnings (Loss)[2]:	$(10.0) million or $(0.55) per share[1]
Combined Ratio:	116.8%
Gross Premiums Written:	-24%
Net Premiums Written:	-31%

Impacting Q4 Results:

- PYD of **$25.0M** or 22.2 combined ratio points

  *(Exited Binding Auto business represents **$18.2M** of this amount)*
- Combined Ratio excluding PYD was 94.6 points
- Investment Return (Income + Gains) of **$7.6M**

Year-to-Date

Net Income (Loss):	$(91.7) million or $(5.05) per share[1]
Operating Earnings (Loss)[2]:	$(10.7) million or $(0.59) per share[1]
Combined Ratio:	110.7%
Gross Premiums Written:	-12%
Net Premiums Written:	-12%
Book Value Per Share	$9.42

Impacting Full Year Results:

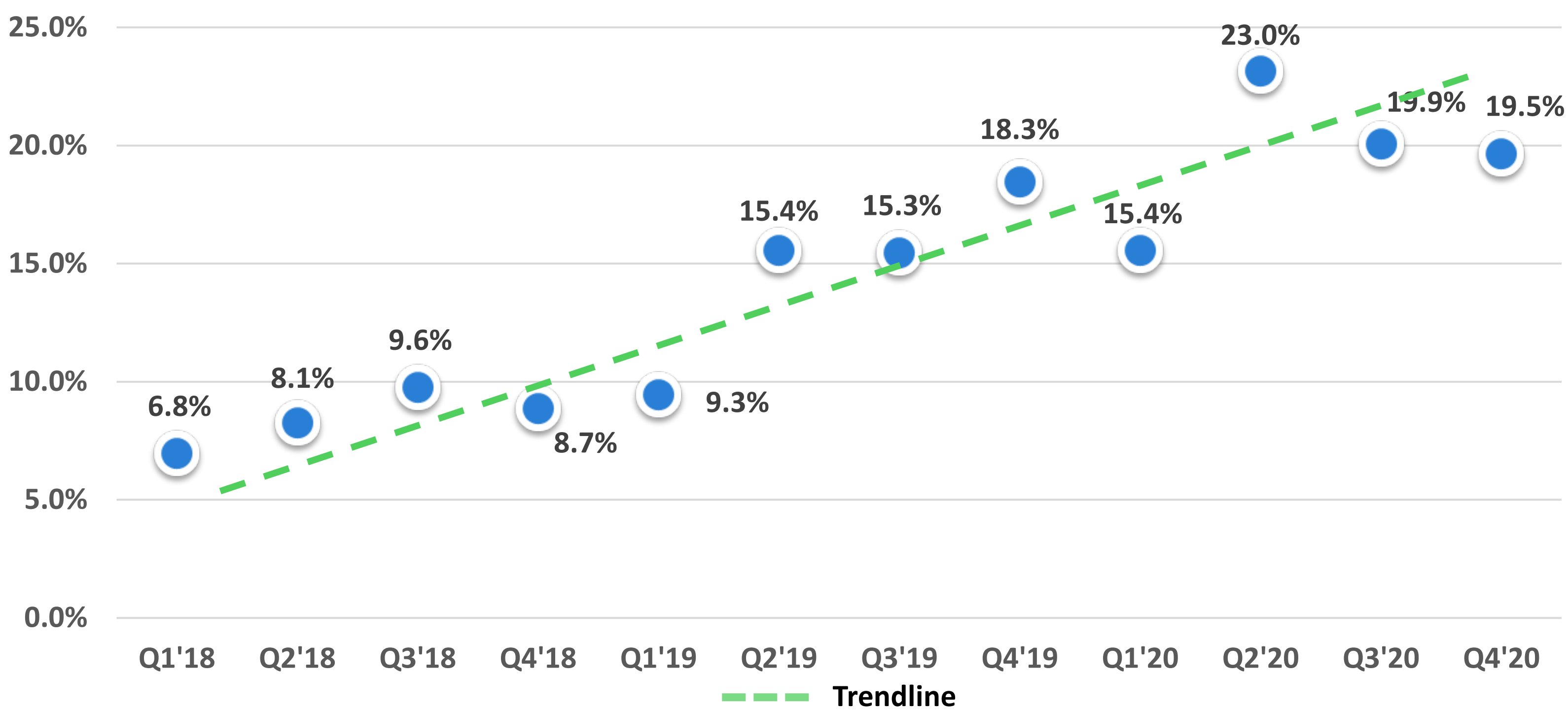
- Goodwill write-down in Q1 2020 of **$46M**
- LPT Cost: **$21.7M**
- Prior Year Reserve Development: **$58.3M**

(1) Calculated based on Diluted Shares
(2) Non-GAAP reconciliation provided in the appendix
Note: all percentage changes on this page are in comparison to the same period the prior year

Specialty Commercial Rates

- We have seen rate momentum in our specialty businesses since Q1 2018
- We are currently achieving rate close to 20% on a combined basis across our specialty portfolio
- Segments of the business experiencing the greatest amount of disruption are seeing rate increases in excess of 20%

Rate Increases By Quarter*

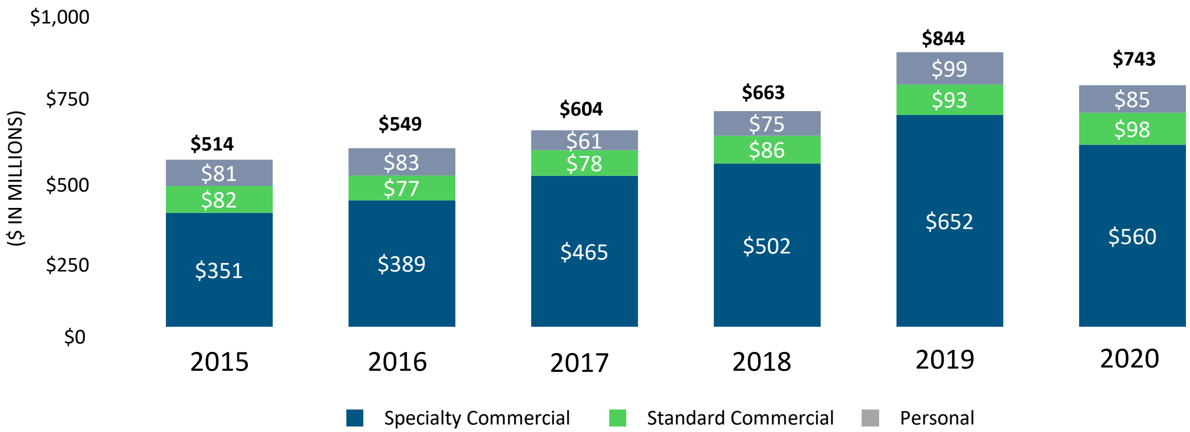


*Rate increases for specialty commercial segment only; excludes non-material lines of business

Gross and Net Premiums

Gross Premiums Written

Hallmark Financial continues to achieve measured growth in Gross Premiums Written

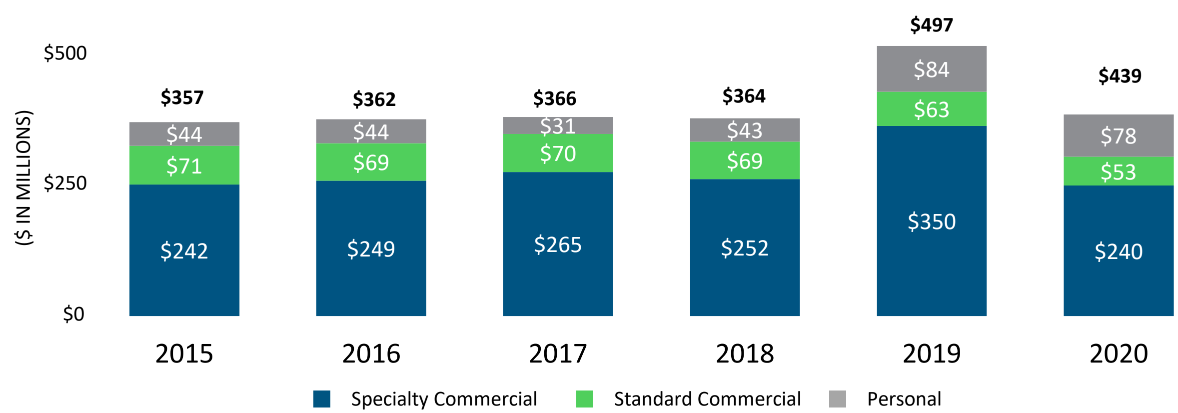


- Significant growth occurring in specialty product lines (10% CAGR since 2015). Premiums are increasing as a result of both new business and rate increases
- 2020 Premiums reducing due to Binding Commercial Auto exit and recalibration to be more in line with capital base

Net Premiums Written

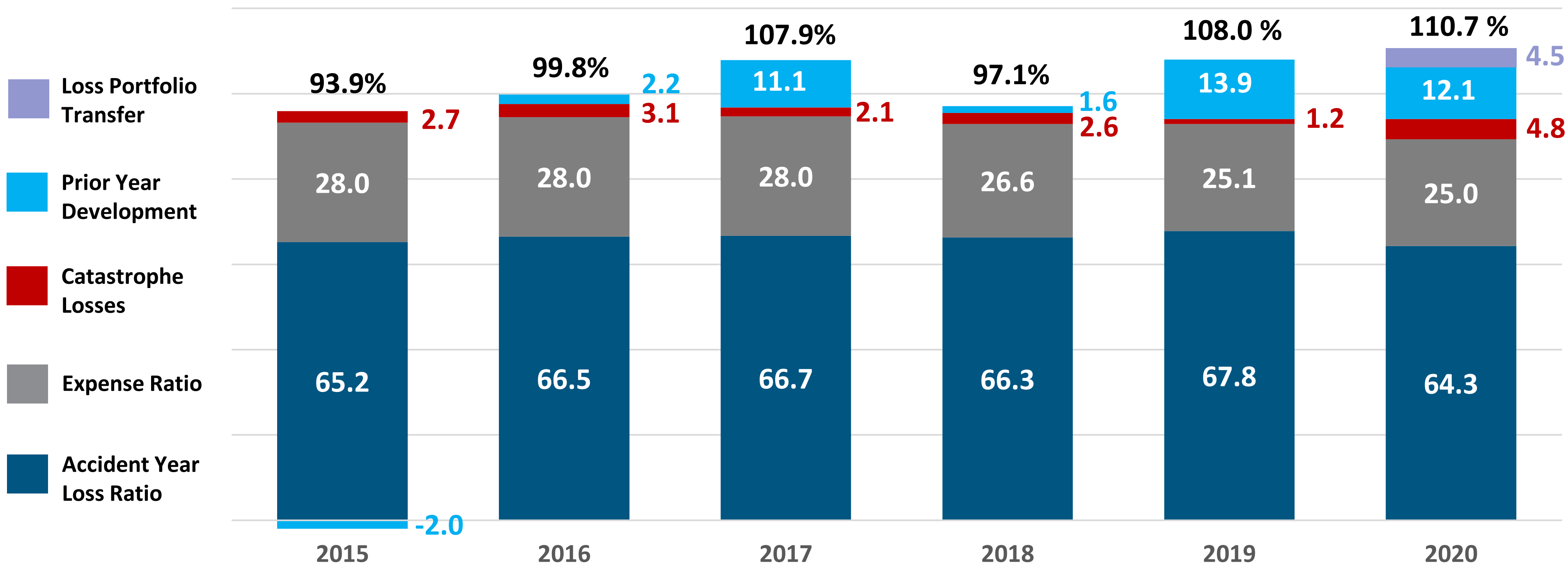
The Company is reinsuring about 40% of premiums in 2020, through a more balanced use of quota share, excess of loss, and Catastrophe coverage.

- Many of the specialty product lines were heavily reinsured as they seasoned and grew to scale
- Mix of net premiums has changed over time; casualty business is now part of a consolidated casualty reinsurance program
- CAT-focused property risks have both quota share and excess of loss reinsurance coverage



Operating Performance

Calendar Year Combined Ratio



Catastrophe Losses

2020 witnessed a much higher frequency of smaller CAT events. In 2020, CAT losses contributed ~5 points to the combined ratio. This is above the 2 – 3 points the Company typically experiences

Prior Year Development

Adverse Prior Year Reserve Development added 12.1 points to the combined ratio in 2020. Approximately half of this was related to the Binding Commercial Auto business that the Company exited earlier this year and is subject to LPT reinsurance. The cost of the LPT transaction added an additional 4.5 points.

Adjusted Segment Overview

($ in Millions)

	Historical Financials[1]					
	2015	2016	2017	2018	2019	2020
Specialty Commercial (excl. Binding Auto)	**171.5**	**203.8**	**278.1**	**386.3**	**536.9**	**534.9**
Standard Commercial (excl. Runoff Lines)	68.4	71.1	77.9	86.1	92.6	98.0
Personal Lines	81.3	83.3	61.2	75.1	99.3	85.0
Discontinued Lines (Binding Auto & Runoff Lines)	193.1	190.9	186.8	115.5	115.0	25.4
Gross Premium Written	**514.2**	**549.1**	**604.2**	**663.0**	**843.8**	**743.3**
Specialty Commercial (excl. Binding Auto)	**62.1**	**64.5**	**70.0**	**121.1**	**195.7**	**278.0**
Standard Commercial (excl. Runoff Lines)	60.9	62.2	65.7	72.4	64.0	66.5
Personal Lines	38.8	44.0	35.7	32.6	80.3	78.3
Discontinued Lines (Binding Auto & Runoff Lines)	187.2	182.7	189.6	137.1	96.8	59.0
Net Premiums Earned	**349.1**	**353.4**	**361.0**	**363.1**	**436.9**	**481.8**
Specialty Commercial (excl. Binding Auto)	**85.1%**	**91.7%**	**93.5%**	**84.2%**	**91.1%**	**86.2%**
Standard Commercial (excl. Runoff Lines)	98.1%	95.7%	97.9%	87.0%	108.9%	110.5%
Personal Lines	107.6%	120.2%	113.3%	94.9%	101.6%	114.9%
Discontinued Lines (Binding Auto & Runoff Lines)	88.5%	95.3%	111.9%	108.0%	134.4%	199.2%
Consolidated Combined Ratio[2]	**93.9%**	**99.8%**	**107.9%**	**97.1%**	**108.0%**	**110.7%**

- Hallmark Financial has strategically developed the Specialty Commercial segment over this time frame (amounts have been adjusted to exclude Binding Auto)
  - This segment on an adjusted basis has grown from **33%** in 2015 to **72%** of total premiums in 2020,
  - And has performed well over this period, with a combined ratio between **84%** and **94%**.
- New product lines carried significant reinsurance in their early stages of development, but as they have seasoned, more of this business has been retained.

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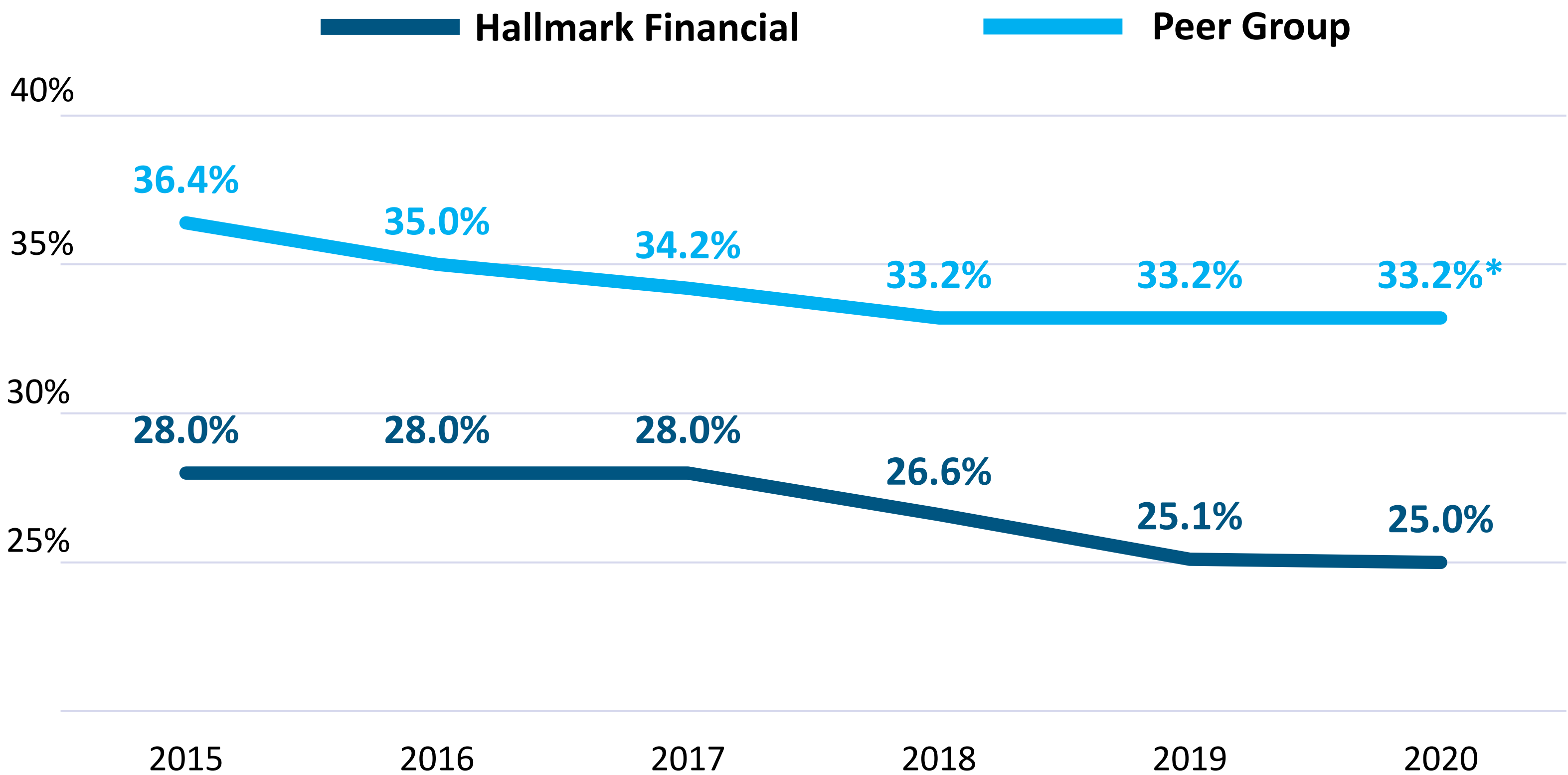
(1) The segments reported in this table are different than our GAAP reportable segments as reported in our SEC filings
(2) Consolidated Combined Ratio includes impact from Corporate

Favorable Expense Ratio relative to our peers



We continue to achieve efficiency gains through technology and process improvements, as well as our mix of business and fee income

A lower Expense Ratio provides us with a competitive advantage

Source: S&P Global (SNL), Q3 2020 data for select public companies
Peer Group: ACGL, ARGO, AXS, DGICA, GBLI, JRVR, KNSL (2016+), RLI, SIGI, MKL, WRB
*Peer group data as of Q3 2020, on a LTM basis

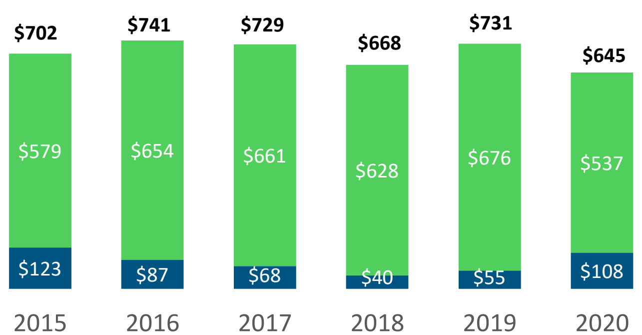
Investment Highlights: Liquidity and Short Duration

Investment Highlights

- The portfolio has **significant liquidity** at **12/31/2020**
  - ➡ $287 million in total cash and treasury bills/S-T Notes
  - ➡ 91% of debt securities having maturities of five years or less
  - ➡ No illiquid hedge funds, private equity investments, private placements
- **A short duration of 0.8 years protects the balance sheet from the impact of interest rate increases**

Total Cash & Investments

- Cash and invested assets reduced in 2020, due in part to the LPT transaction
- Cash and invested assets represented ~43% of total assets in 2020



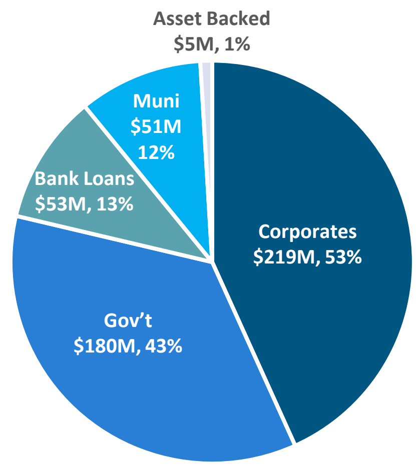
Debt Portfolio

As of 12/31/2020

Size:	$507M
Duration:	**0.8 yrs**
Avg. Rating:	A
Book Yield:	2.6%
Tax-Adj Yield:	2.7%

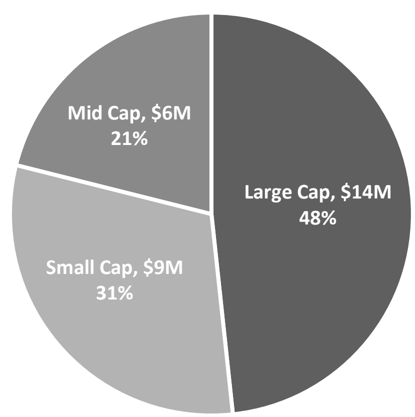
Debt By Classification

As of 12/31/2020



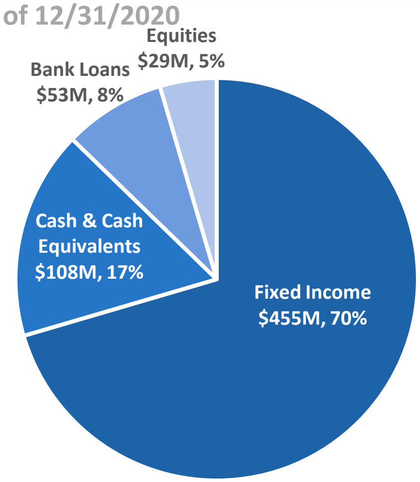
Equities By Type

As of 12/31/2020



Asset Allocation

As of 12/31/2020



Investment Strategy and Philosophy

Maximizing reported net investment income is secondary in importance to managing credit risk and optimizing after-tax total return through investments in tax-advantaged securities and securities with potential for significant capital appreciation

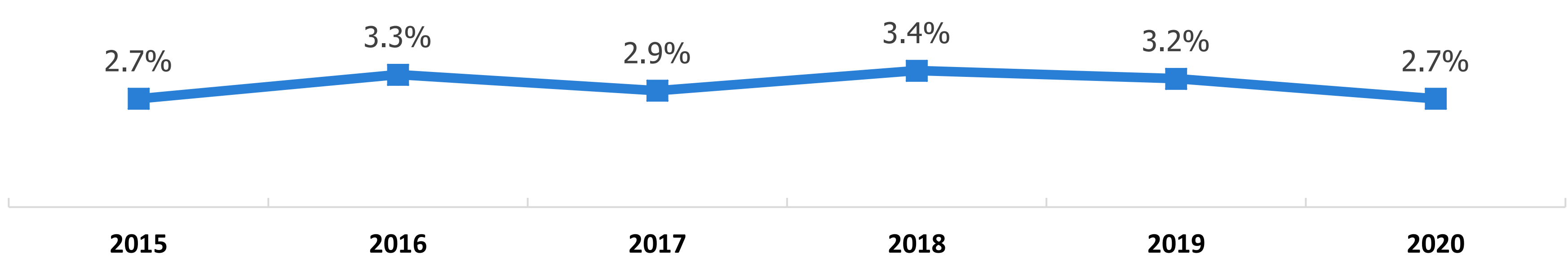
Debt Securities

- Broadly diversified selection of risks
- Primarily investment grade bonds; utilize tax-exempt securities to enhance after-tax returns
- Floating-rate bank loans provide protection against rising rates, first lien collateralization superior to unsecured senior bonds

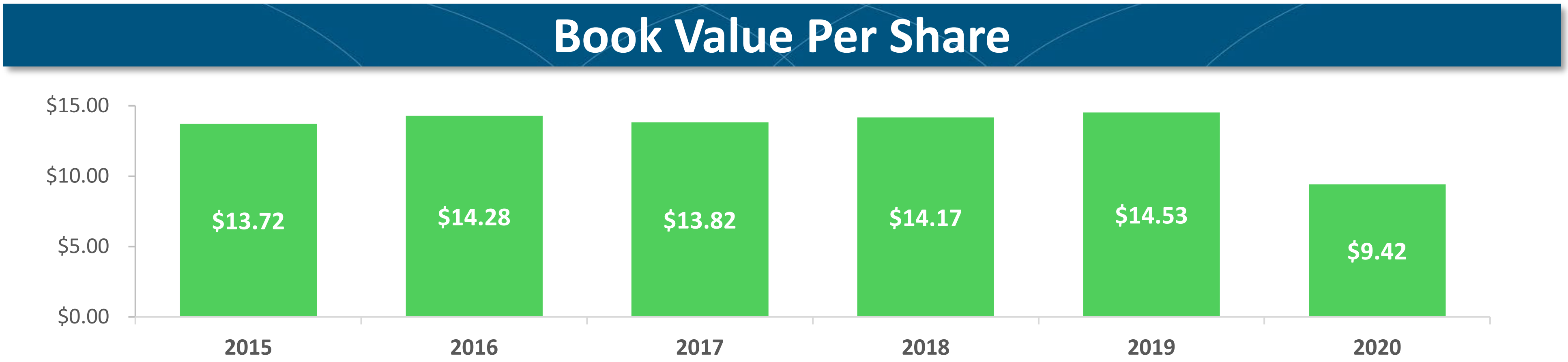
Equity Securities

- Primarily long-term holdings with potential for significant capital appreciation
- Rigorous value-based investment discipline focused on individual security selection
- Opportunistic approach seeks to capture value resulting from market-related price dislocations and short-term orientation of market participants

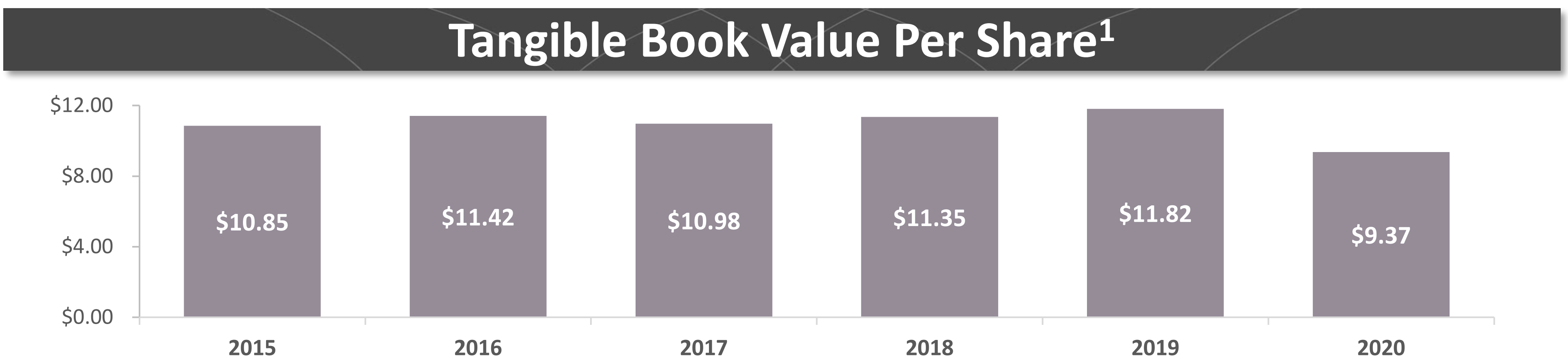
Tax-Adjusted Yield



Book Value Per Share



Book Value Per Share was $9.42 at Q4 2020, a 35% decrease from year-end 2019. Approximately 50% of this decrease was due to the write down of Goodwill and intangible assets in Q1 2020, which reduced Book Value Per Share by $2.52.



Tangible Book Value Per Share decreased $2.45 per share or 21% from year-end 2019.
This reduction was driven by a combination of prior year reserve development and the cost of the LPT.

(1) Non-GAAP reconciliation provided in the appendix

Announcement of Exploration of Separation

(January 21, 2021)

- The Company announced that it is exploring a separation of its Specialty Commercial business
- Initial evaluations have indicated that this may unlock significant value by segregating the operational structures of the segments, achieving a more appropriate aggregate valuation and improving access to capital
- The Company's Board of Directors have engaged the executive search firm Reilly Partners, Inc. of Chicago to identify qualified candidates to serve as the Chief Executive Officer of a stand-alone Specialty Commercial company

Supplemental Information

LPT – Key Terms

Company	American Hallmark Insurance Company of Texas, Hallmark Insurance Company, Hallmark Specialty Insurance Company, and Hallmark National Insurance Company	
Reinsurer(s)	(1) DARAG Bermuda Ltd. (for Layers 1 and 3) (2) DARAG Insurance Guernsey Limited (for Layer 4)	DARAG is an established, direct insurance and reinsurance group that benefits from about 70 years of experience in the long-tail non-life insurance business
Subject Business	Business classified as: • Binding Primary Auto (Discontinued) • Brokerage Primary Auto	
Lines of Business	Commercial Auto Liability	
Coverage	Losses Occurring 12/31/2019 and prior	
Effective Date	1/1/2020	
Premium	$92.6 million (equals $172.9 million less $80.3 million in claims paid through 7/31/2020)	
Inuring Reinsurance	Net of Third-Party Reinsurance (per the Reinsurance Agreement). The responsibility for managing any third-party reinsurance is retained by the Company	
Corridor (Layer 2)	Company retains the obligation to pay claims to the extent the cumulative payments (net of Inuring Reinsurance) since 1/1/2020 are between $151.2 million and $176.1 million (a $24.9M maximum obligation)	
Aggregate Limit	$240,000,000 for claims paid (net of Inuring Reinsurance) since 1/1/2020	
Collateral Calculation	Collateral will be determined as follows: • At Closing, equal to $179,000,000 less YTD paid losses • At 12/31/20, equal to the greater of (A) $179,000,000 less paid losses since 1/1/20 or (B) 120% of net ceded reserves • Beginning 6/30/21, equal to 120% of net ceded reserves The collateral requirement is reduced for amounts paid by the reinsurer but unreimbursed by the company attributable to Inuring Reinsurance.	
Form of Collateral	Collateral will be held in an Escrow Account and Reg 114 compliant Trust Account. • All investment income generated within the collateral account will be for the benefit of the Reinsurer • Eligible investment to be consistent with NY Reg 114 (A- or better rated securities) • Each ceding insurance company will have a separate trust account (or sub-account)	
Claims Handling	Responsibility, including the related claims handling costs, is transferred to the Reinsurer (subject to a Claims Servicing Agreement)	

Historical Data

($ 000s)

	Gross Premiums Written	Investment Income	Net Income (2)	Operating Cash Flow	GAAP Equity (2)	ROAE	GAAP BVPS (1)(2)	% Chg	Period-end Stock Price (1)	% Chg
2004	$ 33,389	$ 1,386	$ 5,849	$ 7,339	$ 32,656	20%	$ 5.37		$ 7.20	
2005	$ 89,467	$ 3,836	$ 9,186	$ 29,654	$ 85,188	16%	$ 5.89	10%	$ 8.16	13%
2006	$ 213,945	$ 10,461	$ 9,191	$ 75,962	$ 150,731	13%	$ 7.26	23%	$ 9.91	21%
2007	$ 249,472	$ 13,180	$ 27,863	$ 85,684	$ 179,621	17%	$ 8.65	19%	$ 15.86	60%
2008	$ 243,849	$ 16,049	$ 12,899	$ 48,712	$ 179,412	7%	$ 8.61	0%	$ 8.77	(45%)
2009	$ 287,558	$ 14,947	$ 24,575	$ 61,698	$ 226,517	12%	$ 11.26	31%	$ 7.96	(9%)
2010	$ 320,973	$ 14,849	$ 7,403	$ 36,360	$ 235,278	3%	$ 11.69	4%	$ 9.10	14%
2011	$ 354,881	$ 15,880	$ (10,891)	$ 24,610	$ 215,572	(7%)	$ 11.19	(4%)	$ 6.99	(23%)
2012	$ 389,842	$ 15,293	$ 3,524	$ 33,682	$ 220,537	2%	$ 11.45	2%	$ 9.39	34%
2013	$ 460,027	$ 12,884	$ 8,245	$ 68,338	$ 238,118	4%	$ 12.36	8%	$ 8.89	(5%)
2014	$ 473,218	$ 12,383	$ 13,429	$ 33,684	$ 252,037	5%	$ 13.11	6%	$ 12.09	36%
2015	$ 514,223	$ 13,969	$ 21,863	$ 52,936	$ 262,026	9%	$ 13.72	5%	$ 11.69	(3%)
2016	$ 549,077	$ 16,342	$ 6,526	$ 30,854	$ 265,736	2%	$ 14.28	4%	$ 11.63	(1%)
2017	$ 604,156	$ 18,874	$ (11,553)	$ 7,199	$ 251,118	(4%)	$ 13.82	(3%)	$ 10.43	(10%)
2018	$ 663,015	$ 18,232	$ 10,347	$ (32,935)	$ 255,532	4%	$ 14.17	3%	$ 10.69	2%
2019	$ 843,831	$ 20,604	$ (625)	$ 27,670	$ 263,282	(2%)	$ 14.53	3%	$ 17.57	64%
2020	$ 743,368	$ 12,920	$ (91,655)	$ (69,327)	$ 170,922	(%)	$ 9.42	(35%)	$ 3.56	(79%)

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(1) Stock prices and BVPS prior to 2006 have been adjusted for the one for six reverse stock split which took place during Q3 2006.
(2) FY2010 and FY2011 Net income, Equity and BVPS have been restated for change in accounting principle related to deferred acquisition costs.

Non-GAAP Reconciliation

Non-GAAP Financial Measures

The Company's financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP"). However, the Company also presents and discusses certain non-GAAP financial measures that it believes are useful to investors as measures of operating performance. Management may also use such non-GAAP financial measures in evaluating the effectiveness of business strategies and for planning and budgeting purposes. However, these non-GAAP financial measures should not be viewed as an alternative or substitute for the results reflected in the Company's GAAP financial statements. In addition, the Company's definitions of these items may not be comparable to the definitions used by other companies.

Operating earnings and operating earnings per share are calculated by excluding net investment gains and losses, impairment of goodwill and other intangible assets ("Impairments") and the cost of the loss portfolio transfer transaction ("LPT") entered into during the third quarter of 2020 from GAAP net income. The Impairments and LPT are unusual and infrequent charges for the Company. Management believes that operating earnings and operating earnings per share provide useful information to investors about the performance of and underlying trends in the Company's core insurance operations. Net income and net income per share are the GAAP measures that are most directly comparable to operating earnings and operating earnings per share. A reconciliation of operating earnings and operating earnings per share to the most comparable GAAP financial measures is presented below.

($ in thousands)	Income (Loss) Before Tax	Less Tax Effect	Net After Tax	Weighted Average Shares Diluted	Diluted Per Share
Fourth Quarter 2020					
Reported GAAP measures	$ (12,853)	$ (6,811)	**$ (6,042)**	18,142	**$ (0.33)**
Excluded investment (gains)/losses	$ (5,005)	$ (1,051)	$ (3,954)	18,142	$ (0.22)
Operating earnings	$ (17,858)	$ (7,862)	**$ (9,996)**	18,142	**$ (0.55)**
Fourth Quarter 2019					
Reported GAAP measures	$ (43,094)	$ (9,128)	**$ (33,966)**	18,123	**$ (1.87)**
Excluded investment (gains)/losses	$ (3,206)	$ (673)	$ (2,533)	18,123	$ (0.14)
Operating earnings	$ (46,300)	$ (9,801)	**$ (36,499)**	18,123	**$ (2.01)**
Fiscal 2020					
Reported GAAP measures	$ (114,162)	$ (22,507)	**$ (91,655)**	18,137	**$ (5.05)**
Excluded impairment of goodwill and other intangible assets	$ 45,996	$ 273	$ 45,723	18,137	$ 2.52
Excluded loss portfolio transfer cost included in Losses and LAE	$ 21,700	$ 4,557	$ 17,143	18,137	$ 0.95
Excluded investment (gains)/losses	$ 22,894	$ 4,808	$ 18,086	18,137	$ 0.99
Operating earnings	$ (23,572)	$ (12,869)	**$ (10,703)**	18,137	**$ (0.59)**
Fiscal 2019					
Reported GAAP measures	$ (1,032)	$ (407)	**$ (625)**	18,107	**$ (0.03)**
Excluded investment (gains)/losses	$ (20,618)	$ (4,330)	$ (16,288)	18,107	$ (0.90)
Operating earnings	$ (21,650)	$ (4,737)	**$ (16,913)**	18,107	**$ (0.93)**

Tangible book value per share is calculated by dividing tangible stockholders' equity by common shares outstanding. Tangible stockholders' equity is calculated by excluding goodwill, net intangible assets, and related deferred tax liabilities from GAAP stockholders' equity. Management believes that tangible book value per share provide useful information to investors about the Company's per share equity value exclusive of goodwill and net intangible assets from prior acquisitions. Stockholder' equity is the GAAP measures that is most directly comparable to tangible shareholders' equity. A reconciliation of tangible stockholders' equity and tangible book value per share to the most comparable GAAP financial measures is presented below.

	2015	2016	2017	2018	2019	2020
Reported GAAP Measure						
Stockholders' equity	$262,026	$265,736	$251,118	$255,532	$263,282	$170,922
Shares outstanding	19,097	18,612	18,169	18,027	18,123	18,142
Book value per share	**$ 13.72**	**$ 14.28**	**$ 13.82**	**$ 14.17**	**$ 14.53**	**$ 9.42**
Excluded Goodwill	44,695	44,695	44,695	44,695	44,695	-
Excluded Intangible assets, net	14,959	12,491	10,023	7,555	5,087	1,322
Excluded deferred tax impact	(4,781)	(3,917)	(3,053)	(1,314)	(795)	(278)
Total excluded intangibles assets from stockholders' equity	54,873	53,269	51,665	50,936	48,987	1,044
Tangible stockholders' equity	$207,153	$212,467	$199,453	$204,596	$214,295	$169,878
Shares outstanding	19,097	18,612	18,169	18,027	18,123	18,142
Tangible book value per share	**$ 10.85**	**$ 11.42**	**$ 10.98**	**$ 11.35**	**$ 11.82**	**$ 9.36**

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