



**INVESTOR
PRESENTATION**
First Quarter 2018

Forward Looking Statements

This presentation contains certain forward-looking statements that are intended to be covered by the safe harbors created by The Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this presentation are forward-looking statements, including statements accompanied by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “project” and “continue” or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” These statements include the plans and objectives of management for future operations, including those relating to future growth of the Company’s business activities and availability of funds, and are based on current expectations that involve assumptions that are difficult or impossible to predict accurately many of which are beyond the control of the Company. There can be no assurance that actual developments will be consistent with our assumptions. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties. The projections and statements in this presentation speak only as of the date of this presentation and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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National General Holdings Corp. (NGHC)

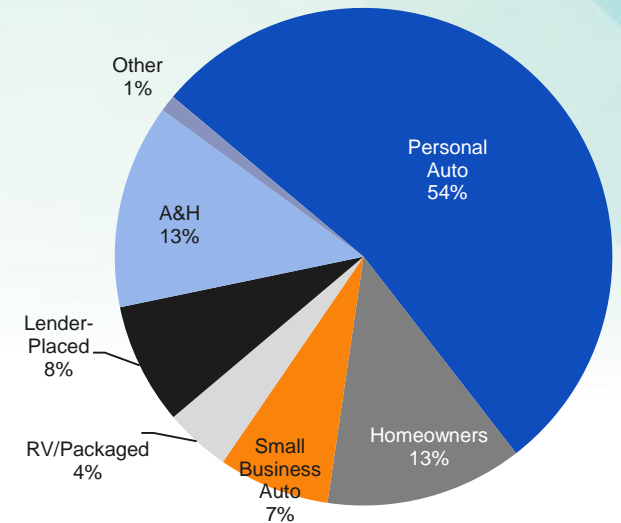
Ticker Symbol*	NGHC
Current Price	\$26.03 (as of close of trading on May 9, 2018)
Shares Outstanding	106.6 million / 61.0 million public float (as of May 9, 2018)
Market Capitalization	\$2.8 billion
Dividend & Yield	\$0.04 per share quarterly / \$0.16 per share annually (1.0% annual dividend yield)
Average Daily Volume	297,348 shares (3 month average daily volume as of May 9, 2018)
Fully Diluted Book Value Per Share	\$14.09 (March 31, 2018)
Capital Raises	<ul style="list-style-type: none"> ▪ June 2013: private placement of 21.88 mm shares at \$10.50 for \$213 mm net proceeds ▪ Feb. 2014: follow-on private placement of 13.57 mm shares at \$14.00 for \$178.5 mm net proceeds ▪ May 2014: private issuance of \$250 mm of 6.75% senior notes due May 15, 2024 ▪ June 2014: issuance of \$55 mm in 7.50% non-cumulative series A preferred stock ▪ March/April 2015: issuance of \$165 mm in 7.50% non-cumulative series B preferred stock ▪ August 2015: issuance of \$100 mm in 7.625% subordinated notes due 2055 ▪ August 2015: follow-on offering of 11.5 mm shares at \$19.00 for \$211 mm net proceeds ▪ October 2015: private issuance of \$100 mm of 6.75% senior notes due May 15, 2024 ▪ July 2016: issuance of \$200 mm in 7.50% non-cumulative series C preferred stock
Analyst Coverage	<ul style="list-style-type: none"> ▪ <i>Randy Binner</i> – B. Riley FBR Capital Markets & Co. ▪ <i>Matthew Carletti</i> – JMP Securities ▪ <i>Adam Klauber, CFA</i> – William Blair & Company, L.L.C. ▪ <i>Kai Pan</i> – Morgan Stanley ▪ <i>Meyer Shields, FCAS</i> – Keefe, Bruyette & Woods. Inc.
Company Contacts	<ul style="list-style-type: none"> ▪ <i>Mike Weiner, CFA</i> – Chief Financial Officer, (212) 380-9492, Mike.Weiner@NGIC.com ▪ <i>Christine Worley</i> – Director of Investor Relations, (212) 380-9462, Christine.Worley@NGIC.com

National General Overview

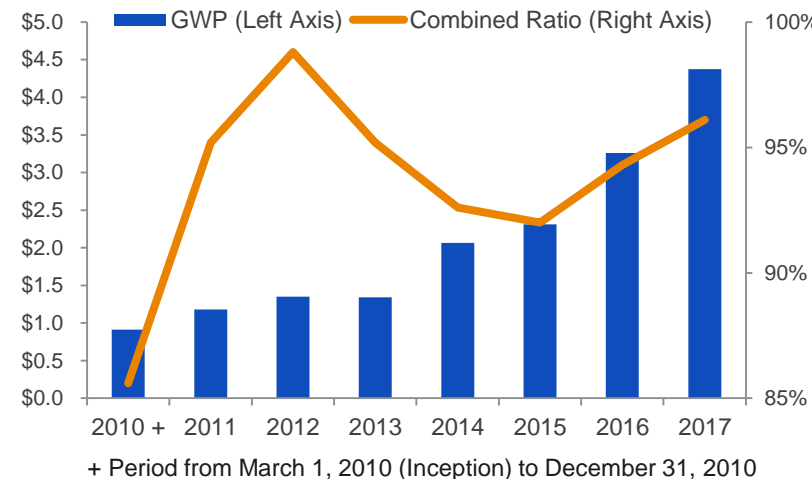
We are a specialty personal lines insurance holding company that provides personal and commercial automobile, homeowners, recreational vehicle, accident and health, and various other niche insurance products in the U.S. and internationally.

- \$4.4 billion of 2017 GWP / ~\$4.8 billion managed premium
- \$1.9 billion of shareholders' equity and \$2.6 billion total capital at December 31, 2017
- "A-" rating from A.M. Best
- ~7,570 employees
- ~32,100 independent P&C agents & brokers / ~ 28,000 independent A&H agents & brokers
- National General was built through a combination of organic growth and opportunistic acquisitions and we expect to continue to grow through accretive M&A opportunities. Recent transactions include:
 - *Direct General* – closed November 2016
 - Nationwide Renewal Rights – December 2016
 - Quotit® and HeathCompare® - January 2017
- We operate in two distinct business segments:
 - Property & Casualty and Accident & Health

2017 GWP by Product



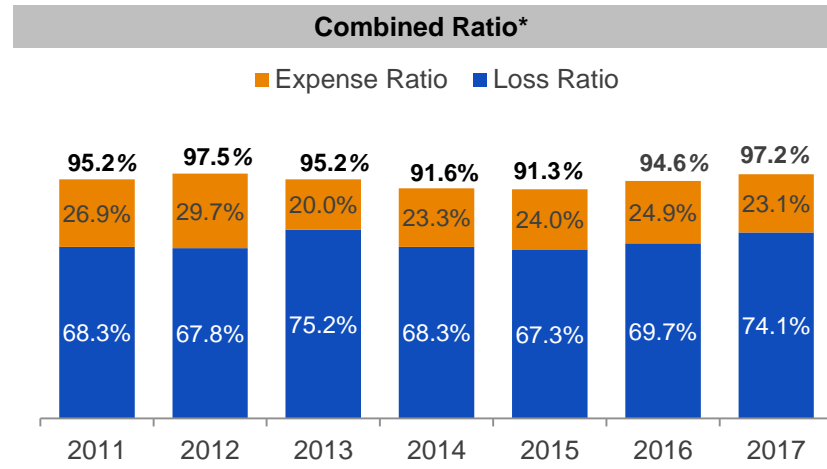
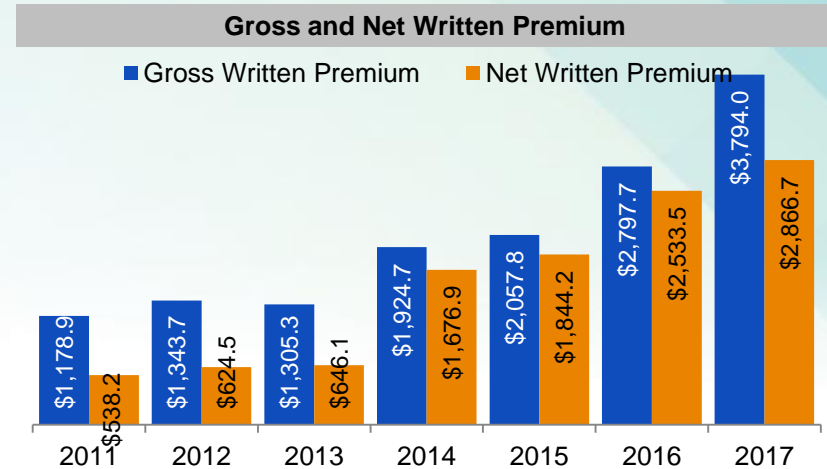
2010-2017 GWP (\$ in billions) & Combined Ratio



PROPERTY & CASUALTY

Property & Casualty Overview

- History:** GMAC formed Motors Insurance Corporation in 1939, GMAC Insurance acquired by National General in 2010
- Premium Volume:** \$3.8 billion of GWP in 2017 with total written and managed premium (including Reciprocal Exchanges) of ~\$4.2 billion
- Geography:** We are licensed to operate in 50 states and the District of Columbia.
- Distribution:** Through more than 32,100 independent agents and brokers, our own MGAs (Clearside General, RAC Insurance Partners, and Assigned Risk Solutions), and direct through numerous long-term affinity relationships and Direct General's omni channel direct platform including approximately 400 stores.
- Business Detail:** We underwrite various P&C products including: non-standard, standard, and preferred auto; homeowners, umbrella, and package; recreational vehicle; motorcycle; lender placed; and small business auto. Additionally, we also offer federal flood policies, which are not written on National General paper.



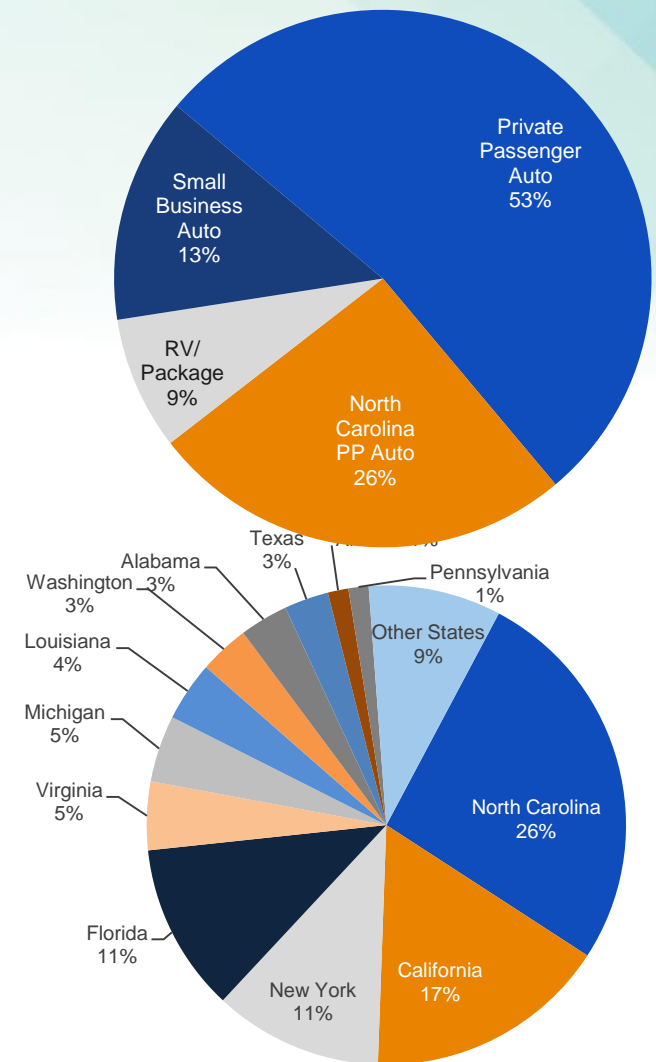
* NOTES: Expense Ratio and Combined Ratio exclude the impact of non-cash amortization of intangible assets and impairment of goodwill.

P&C Overview: Automobile

Product Overview

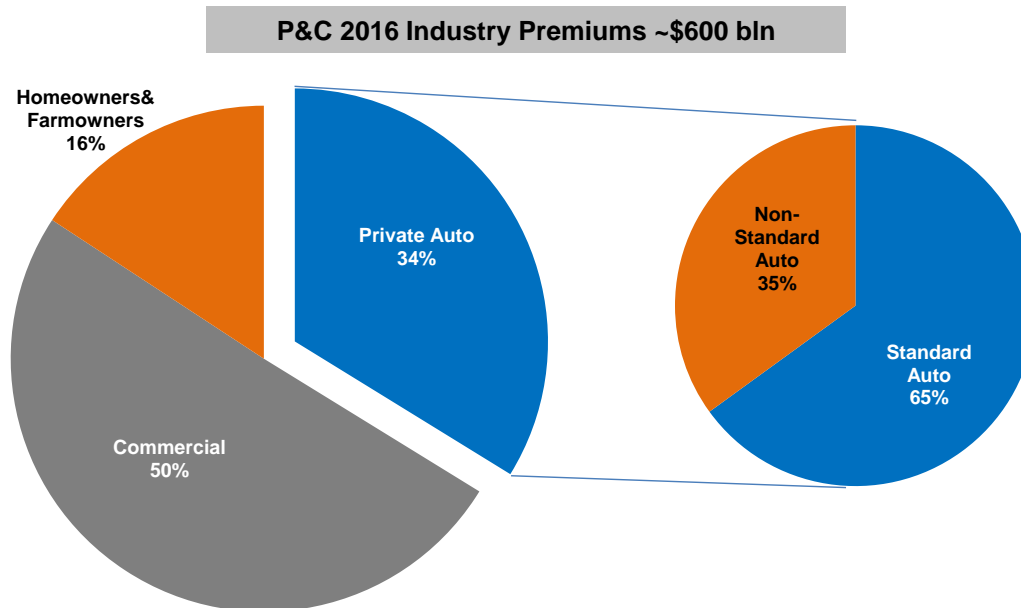
- **Private Passenger Auto** – We write coverage for liability and physical damage for standard, preferred, and non-standard risks throughout the U.S.
- **North Carolina Auto** – We are a top writer of personal auto in North Carolina, which has a unique “take all comers” market supported by the North Carolina Reinsurance Facility (NCRF), to which we cede roughly 40% of NC GWP.
- **Affinity Auto** – We offer a customized product to affinity groups on a white label basis, including insurance for the National Rural Letter Carriers’ Association, a 109 year-old labor union representing over 100,000 American rural letter carriers and several other affinities.
- **RV/Package** – We are one of the top writers of RV coverage in the U.S. via Good Sam, an RV club with over 1 million members which also operates Camping World. Our exclusive contract runs until Jan 21, 2032. Unlike many competitors, our policies carry RV-specific endorsements, including automatic personal effects coverage, optional replacement cost coverage, RV storage coverage and full-time liability coverage, as well as the ability to bundle coverage for RVs and passenger cars in a single policy billed on a combined statement.
- **Small Business Auto** – We provide liability and physical damage coverage for light-to-medium duty commercial vehicles, focused on artisan vehicles, with an average of two vehicles per policy.
- **Motorcycle** – We provide coverage for most types of motorcycles, as well as golf carts and all-terrain vehicles.

\$2.8 billion Auto 2017 GWP



P&C: Non-Standard Auto

- **Higher-risk sector of the overall market**
 - New driver
 - Driver with moving violations/credit problems
 - Purchase minimum limits
 - Unusual drivers license status
- **Makes purchasing decisions based on availability of funds and affordability**
- **Shorter policy duration with lower limits than standard policies**
- **High lapse-rate**
- **More susceptible to fraud**

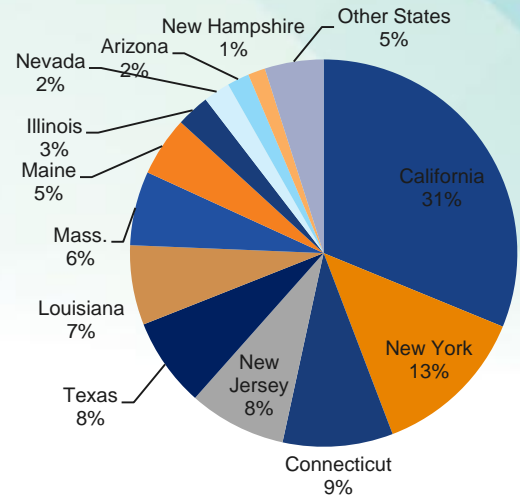


P&C: Automobile – Market Opportunity

- **Loss Cost Trends** – Loss cost trends have been increasing over the last few years, as both frequency and severity have experienced upticks.
 - Miles driven (healthy economy, gas prices)
 - More cars on the road
 - Distracted driving
 - Increasing cost of auto technology
- **Technology** – Transaction heavy industry that benefits from data analytics, greater access to loss trend information and pricing sophistication. The market is highly fragmented, with the majority of smaller/more regional players under-invested in technology. Competitors that have not kept pace with technological advancements are more susceptible to adverse selection.
- **Scale** – Thin underwriting margins and low investment returns have made it difficult to sustain market share and profitability.
- **These Dynamics Create a Growth Opportunity for NGHC**
 - **Organic** – Above expected organic growth rates experienced in 2017
 - **Acquisition** – Acquisition opportunities of struggling providers

P&C Overview: Home and Package

\$560 million Home 2017 GWP

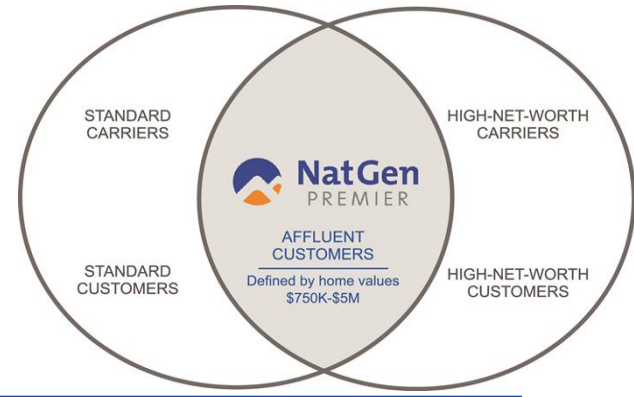


- **Homeowners/Umbrella/Package** – Our homeowners policies are generally multiple-peril, providing property and liability coverages for one- and two-family, owner-occupied residences. We also provide additional coverage to the homeowner for personal umbrella.

 - Target standard/preferred customer base
 - Package offering with auto/umbrella improves customer retention
 - We offer one policy, one invoice

- **High Net Worth Opportunity** – NatGen Premier offers homeowners and package policies for the HNW market, with a target market of home values between \$750 thousand and \$5 million. Our focus is on home values in the \$1-3 million range, or what we define as the mass affluent market.

 - The NatGen Premier product suite is generally aligned to the HNW market: offering guaranteed replacement cost on building and contents, no time limit on loss of use with cash out options available, offering additional coverage for collections and umbrella (with limits up to \$10 million), and all properties are inspected by vendors that specialize in HNW homes. Package offering with auto/umbrella improves customer retention
 - We currently offer NatGen Premier in California, Connecticut, Illinois, New Jersey, New York, Arizona, Georgia and Michigan and intend to expand into additional states including Massachusetts, New Hampshire, Virginia, Nevada, Oregon, Washington, Pennsylvania, Wisconsin and Vermont.



P&C Overview: Lender Placed

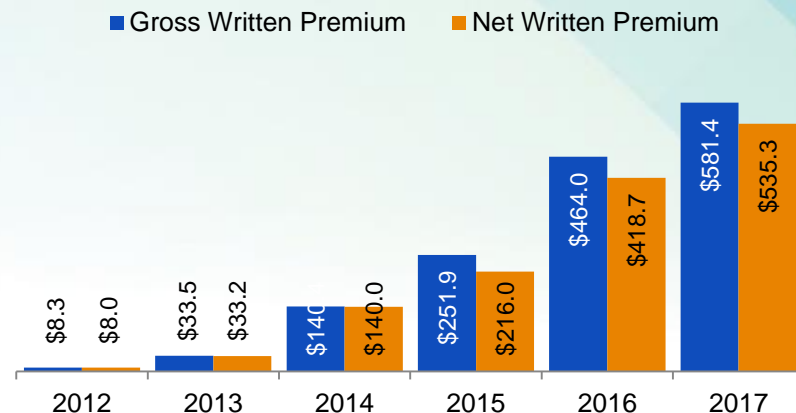
- We acquired the Lender Placed platform in 2015, which facilitated our entry into the homeowners and auto lender-placed insurance line with an industry leading platform and management team. National General Lender Placed, the second largest lender-placed insurance platform in the U.S., produced \$345 million of gross written premium in 2017. The company has an industry leading technology platform supported by comprehensive enterprise risk management capabilities, offering a full suite of lender-placed insurance products to customers through three distinct operating units:
 - **LPI Home** – The second largest LPI home platform in the U.S., offering fire, home, and flood products, as well as tracking and other ancillary services to financial institution clients.
 - **LPI Auto** – We offer collateral protection insurance (CPI), guaranteed asset protection (GAP) and insurance recovery services for automobiles
 - **Seattle Specialty Insurance Services (SSIS)** – An agency and tracking business focused on the smaller niche loan servicer that offers a full range of coverage options underwritten by third-party insurance carriers.

ACCIDENT & HEALTH

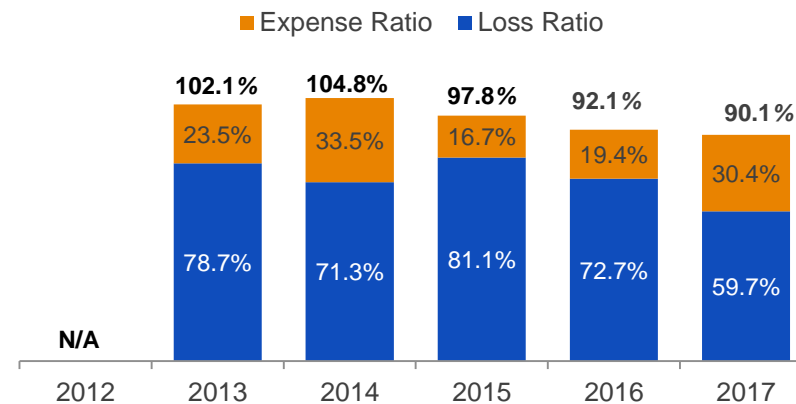
Accident & Health

- **History:** Entered in 2012
- **Premium Volume:** \$581 million of GWP in 2017, \$981 million of managed premium in 2017
- **Geography:** Operates in the U.S. and Europe
- **Business Detail:**
 - **U.S. Domestic** – Through various distribution sources, we provide niche supplemental and non-major medical insurance products, which are written on National Health Insurance Company (NHIC) paper, to individuals and small employer groups. Additionally, we provide major medical policies not written on our paper through our various distribution sources.
 - **Distribution:** Call Center Agency (VelaPoint), Independent Agency (AHCP), Worksite Marketing (TABS), North Star Marketing (NSM), Managing General Agency (HST), Large 3rd Party General Agencies
 - **Products:** Accident/AD&D, Limited Medical/Hospital Indemnity, Short Term Medical, Cancer/Critical Illness, Small Group Self-Funded (Stop Loss), Term Life, Dental and Vision.
 - **Europe** – Through EuroAccident, a Swedish managing general agency, we provide health insurance (predominantly personal medical insurance or PMI) to large groups and individuals in Sweden. Business is written on NGHC paper as of April 1, 2014.

Gross and Net Written Premium (\$ in millions)*



Combined Ratio*

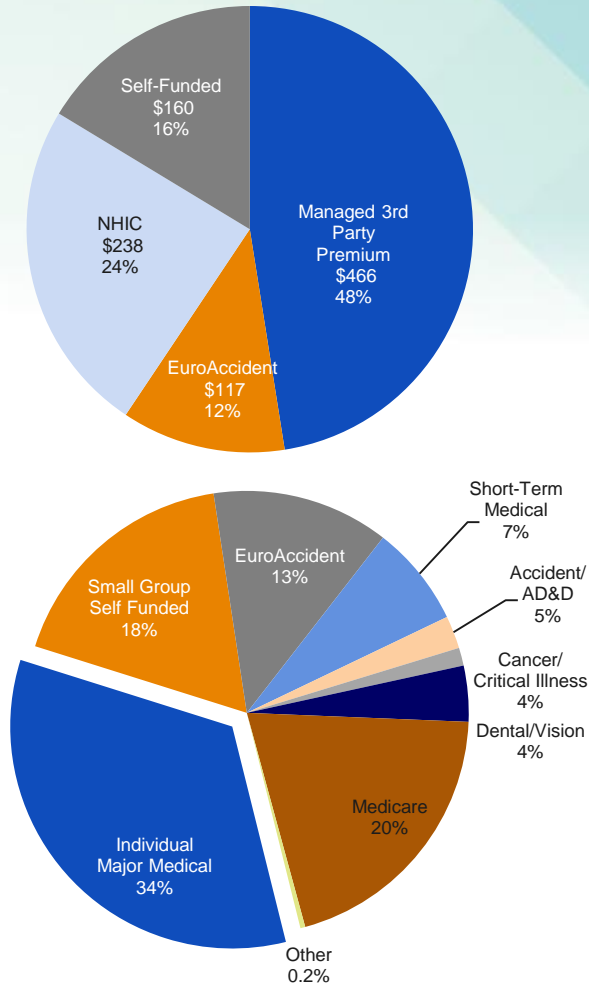


* **NOTES:** Expense Ratio and Combined Ratio exclude the impact of non-cash amortization of intangible assets and impairment of goodwill.

A&H: Product Overview

- **Accident/AD&D** – Coverage pays a stated benefit to insured or beneficiary in the event of bodily injury or death due to accidental means. For our targeted young and uninsured population, policies can provide basic insurance protection for those without coverage, and can also serve as supplemental policies underneath high deductible major medical plans.
- **Limited Medical/Hospital Indemnity** – These plans are excellent supplements to high deductible plans – helping mitigate high catastrophic individual out of pocket expenses. They can also be sold as stand alone programs, offering basic insurance for those that cannot afford or do not wish to pay for more expensive major medical plans.
- **Short Term Medical** – These plans offer major medical coverage to individuals for a prescribed short duration (generally 6 months, but can be up to a year). Carriers may still underwrite and install basic cost protection devices like pre-existing condition limitations.
- **Cancer/Critical Illness** – Policies provide excellent supplemental coverage for many costs that are not covered by traditional health insurance. Products are sold on a guarantee and simplified issue (health questionnaire) basis, and can be sold stand alone or packaged with other products.
- **Term Life** – Term life insurance sold on guarantee and simplified issue basis and employer paid or employee pay all, with a wide array of benefit features available.
- **Dental/Vision** – These policies provide basic dental or vision coverage and can be sold on a stand-alone basis or packaged with other products. They are frequently matched with discount plans.
- **Small Group Self-Funded /Stop Loss** – We offer a wide array of self-funded/stop loss programs for small and large employers, as permitted by state law. We also package our non-major medical coverages with stop loss programs.
- **EuroAccident** – We provide health insurance (predominantly personal medical insurance or PMI, which is an enhanced medical policy that supplements a national health care plan) to large groups and individuals in Sweden.

A&H 2017 managed & GWP: \$981 million



A&H Expansion

We believe the A&H segment presents a significant opportunity with substantial demand for supplemental products. We continue to look at potential acquisitions in the A&H space. The key acquisitions we have completed in the segment are as follows:

VelaPoint	<ul style="list-style-type: none"> • Acquired in February 2012. • General agency call center that sells a full range of supplemental & individual major medical policies via state/federal exchanges and third-party carriers. • We expect an increasing percentage of VelaPoint supplemental health product sales to be written on NHIC paper going forward.
America's HealthCare Plan (AHCP)	<ul style="list-style-type: none"> • Acquired in February 2012. • MGA/program manager that works with > 4,300 independent agents/general agents across the U.S. to provide an array of insurance products, including those from third-party insurers. • We expect an increasing percentage of AHCP supplemental health product sales to be written on NHIC paper going forward.
National Health Insurance Company (NHIC)	<ul style="list-style-type: none"> • Acquired in November 2012. • Texas domiciled life/health insurer established in 1979 and licensed in 48 states & DC. • NHIC serves as the underwriting company for our A&H segment.
EuroAccident	<ul style="list-style-type: none"> • Acquired in April 2013. • Swedish group life and health insurance MGA which writes business on National General paper effective April 1, 2014.
Healthcare Solutions Team (HST)	<ul style="list-style-type: none"> • Acquired in January 2015. • MGA based in Lombard, Illinois that partners with ~500 independent agents across U.S. to provide a wide range of A&H products. • We expect an increasing percentage of HST supplemental health product sales to be written on NHIC paper going forward.
Assurant Health	<ul style="list-style-type: none"> • Acquired in October 2015 • The transaction includes certain business lines and assets from Assurant Health, including the small group self-funded and supplemental product lines, as well as North Star Marketing, a proprietary small group sales channel.

The National General Advantage

1

We have **proven leadership with an experienced management team** that has a history of creating shareholder value

2

We have built a **technology driven infrastructure** which creates operational efficiencies that result in reduced expenses and increased profitability

3

We have an intense focus on **profitable underwriting and disciplined expense management**

4

We will **opportunistically pursue acquisitions** to augment our organic growth opportunities

5

Our **sizable fee income stream increases our capital flexibility** and is expected to continue to grow

6

We have a **strong balance sheet** with a conservative investment portfolio, stable loss reserves, and a solid capital position

Management Team

<p>Barry Karfunkel Chief Executive Officer</p>	<ul style="list-style-type: none"> 9+ years experience in the financial services industry Joined National General at inception in 2010, where he has served on the Board of Directors and as Executive Vice President, President, and now Chief Executive Officer and Co-Chairman of the Board Previous experience: Maiden Capital Solutions, AmTrust Capital Partners
<p>Robert Karfunkel President</p>	<ul style="list-style-type: none"> Joined National General at inception in 2010, where he has served on the Board of Directors and as Executive Vice President – Strategy and Development, Chief Marketing officer and now President and Co-Chairman of the Board Serves as a director of many National General subsidiaries and prior experience includes Maiden Reinsurance
<p>Michael Weiner Chief Financial Officer</p>	<ul style="list-style-type: none"> 20+ years of experience in the financial services and insurance industry Joined National General in March 2010 Previous experience: Cerberus, Citigroup, KPMG LLP and Bankers Trust Co.
<p>Tom Newgarden Chief Underwriting and Business Development Officer</p>	<ul style="list-style-type: none"> 25+ years of experience in the insurance industry Joined National General in August 2010 Previous experience: Safeco and AIG
<p>Doug Hanes Executive Vice President P&C Product Management</p>	<ul style="list-style-type: none"> 10+ years of experience in the insurance industry Joined National General (via GMAC Insurance) in February 2006 Previous experience: FirmLogic LLC (Litigation Consulting Firm), National Institutes of Health
<p>Andy McGuire Executive Vice President National General Preferred</p>	<ul style="list-style-type: none"> 20+ years of experience in the insurance industry Joined National General (via Tower Acquisition) in September 2014 Previous experience: Tower Group, Fireman’s Fund, Zurich North America, Allstate and Safeco
<p>Art Castner President National General Lender Services</p>	<ul style="list-style-type: none"> 23+ years of experience in the insurance industry Joined National General in October 2015 (via QBE Lender-Placed Insurance acquisition) Previous experience: QBE North America, Ocwen Financial Corporation
<p>Peter Rendall Chief Operating Officer & Treasurer</p>	<ul style="list-style-type: none"> 13+ years of experience in the insurance industry Joined National General (via GMAC Insurance) in August 2002 Previous experience: various roles at GMAC/National General, Integrated Services, Inc. (software)
<p>M&A Additions</p>	<ul style="list-style-type: none"> Added benefit of our active acquisition strategy is a consistent influx of management/operational talent Retained substantial number of employees/management following closing of <i>Tower Personal Lines</i>, <i>Imperial</i>, <i>Healthcare Solutions Team</i>, <i>Assigned Risk Solutions</i>, <i>Assurant Health</i>, and <i>QBE LPI</i>

Technology

We seek to leverage technology to create operational efficiencies which result in reduced expenses and increased profitability. We rely on technology and extensive data gathering and analysis to evaluate and price our products accurately according to risk exposure. We have substantially upgraded our information technology capabilities in recent years. Our goal is to continue to make strategic investments in technology and develop sophisticated tools that enhance our customer service, product management and data analysis capabilities.

NPS

Policy Administration

- Our comprehensive state of the art policy administration system.
- NPS allows for policy quoting, binding, and servicing and allows agents to more quickly sell our products while providing tools to help them service business and bind more National General policies.
- NPS is scalable to allow for future organic and acquisition growth.

RAD 5.0

Underwriting/Pricing

- An underwriting pricing tool developed by our predictive analytics team that more accurately prices specific risk exposures to assist us in profitably underwriting P&C products.
- RAD 5.0 offers numerous additional components and pricing strategies such as supplemental risk and improved credit modeling, and facilitates better pricing over the lifetime of a policy by employing lifetime value modeling.
- We believe that RAD 5.0 provides us with a competitive advantage for pricing our products relative to other auto insurers of our size.

EPIC

Claims

- Our proprietary Siebel-based claims system.
- We believe we are ahead of the curve from an industry standpoint with EPIC, which is a fully paperless and scalable claims system that includes workload management, document management, automatic assignment logic and seamless integration with over twenty different interfaces.
- The claims system has been upgraded to the latest Siebel platform, which allows for the latest browsers and mobile applications.

Focus on Profitable Underwriting

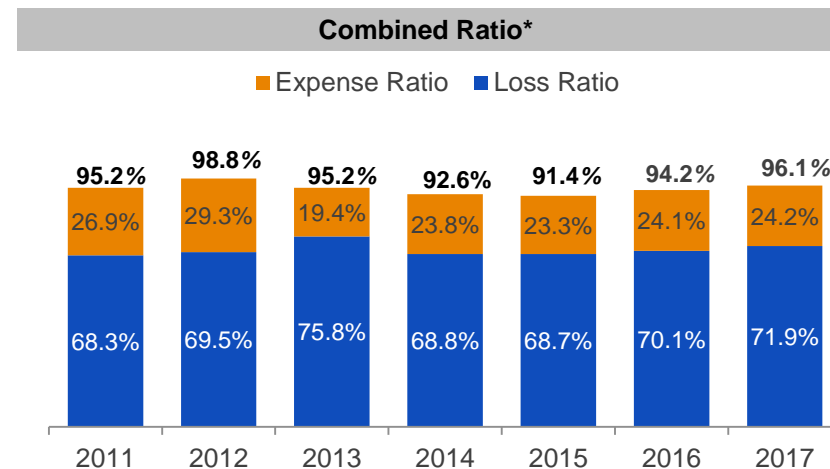
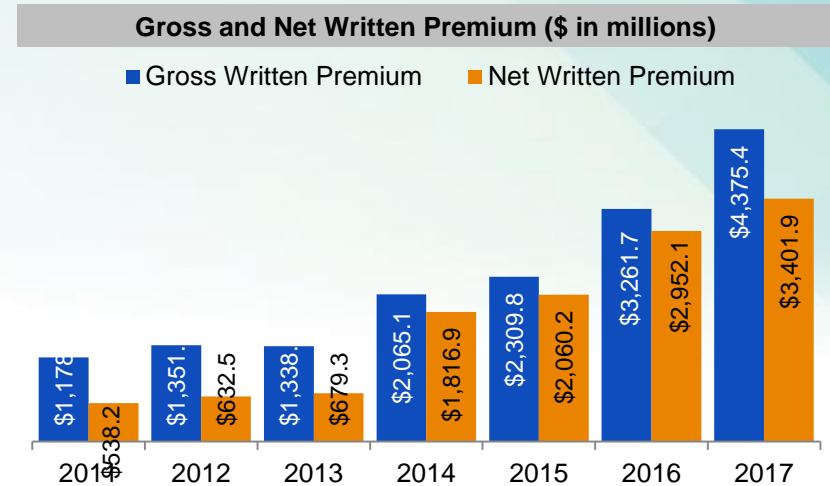
We target mid-single digit organic growth with a companywide combined ratio* of 92-94%.

Focus on Profitable Underwriting:

- Our focus on specialty markets and niche distribution channels provides the greatest opportunity for achieving superior long-term growth and profitability.
- Our sophisticated analytics drives better risk selection and improved margins.

Disciplined Expense Management:

- We seek to leverage technology to create operational efficiencies which result in reduced expenses.
- We maintain a flat organizational structure where high level executives review sizable companywide expenses on a weekly basis to ensure that costs are properly controlled.
- Since acquiring GMAC Insurance in 2010, we have taken numerous steps to right-size the expense base of the company in order to improve overall profitability.



* NOTE: Expense Ratio and Combined Ratio exclude the impact of non-cash amortization of intangible assets and impairment of goodwill.

Growth Through Strategic Transactions

Since taking over the company in 2010, we have completed multiple acquisitions which have built National General into the well diversified personal lines insurer it is today. We target acquisitions of carriers with good underwriting and high expenses; and will look at renewal rights transactions, book rolls, new products, distribution, underwriting teams, etc.

1939: Motors Insurance Corporation (MIC) is formed by GMAC	1980: MIC starts offering automobile liability insurance to GM employees	1991: GMAC purchases National General Insurance Companies and now provides insurance through affinity groups and a broader product offering to GM and GMAC employees	1997: GMAC purchases Integon, a publicly traded NC-based insurance group with independent agency distribution in 20 states	1999: MIC, National General Insurance and Integon start operating under the GMAC Insurance name	2006: GMAC Insurance acquires MEEMIC and GM sells 51% controlling interest in GMAC to a consortium of investors led by Cerberus Capital Management	2008: GMAC launches strategic review of insurance operations
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PRIOR OWNERSHIP

CURRENT OWNERSHIP

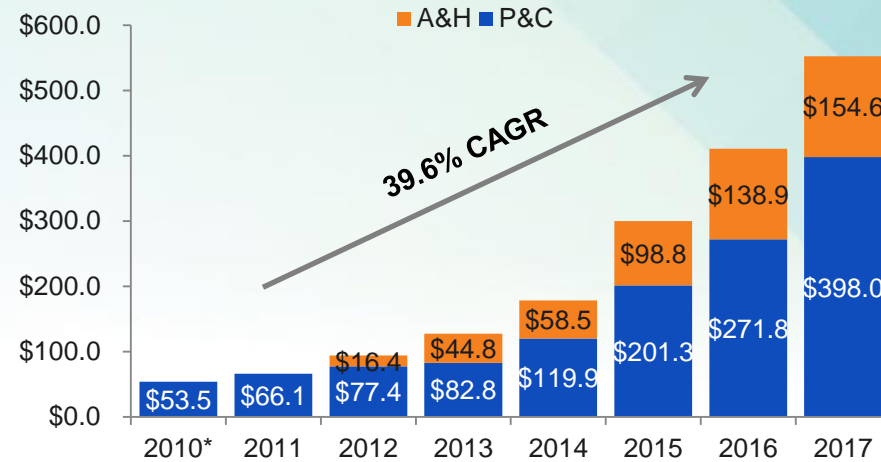
March 2010: NGHC purchases GMAC Insurance	September 2011: Acquisition of Agent Alliance	February 2012: Acquisition of VelaPoint / America's Health Care Plan (AHCP)	November 2012: Acquisition of National Health Insurance Company (NHIC)	April 2013: Acquisition of Euro Accident	June 2014: Acquisition of Imperial	September 2014: Tower Group Personal Lines Transaction closes	April 2015: Acquisition of Assigned Risk Solutions	October 2015: Acquisition of QBE Lender-Placed Insurance	October 2016: Acquisition of Standard Property and Casualty Insurance Company (f/k/a Standard Mutual)	December 2016: Renewal Rights of Nationwide Non-Standard Auto
July 2011: Renewal Rights of American Modern	December 2011: Acquisition of ClearSide General	September 2012: Acquisition of TABS companies	2013: Form European life and non-life insurers	April 2014: Acquisition of Personal Express	July 2014: Acquisition of Agent Alliance Insurance Company	January 2015: Acquisition of Healthcare Solutions Team	October 2015: Acquisition of Certain Businesses from Assurant Health	June 2016: Acquisition of Century National Insurance Company	November 2016: Acquisition of Direct General Corporation	January 2017: Acquisition of Quotit® and HealthCompare®

Fee Income

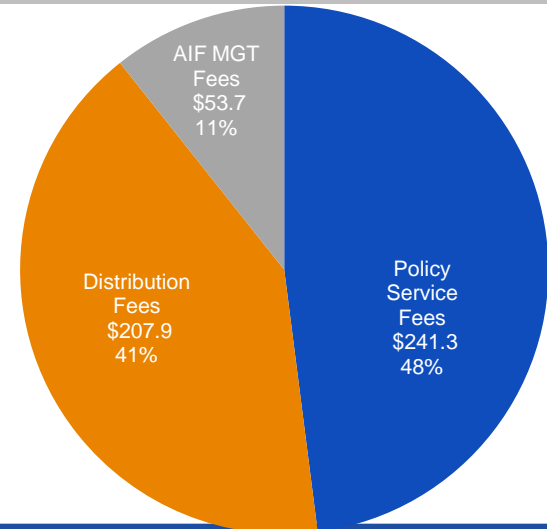
We generate fee income, which increases our capital flexibility, within both our P&C and A&H segments. Our core agency auto states have historically been the primary contributor to fee income, but we expect continued fee growth to come from the expansion of our A&H segment, the addition of fee income from acquisitions, and the addition of management fees from the Attorneys-in-Fact (AIF) that manage the reciprocal exchanges. Our main sources of our fee income include:

- **Policy Service Fees** – We charge policy service fees (including fees for installment plans, policy renewal, non-sufficient funds, late payments, cancellations and various financial responsibility filing fees) which are generally designed to offset expenses incurred in the administration of our insurance business (both P&C and A&H segments).
- **Distribution Fees** – We collect service fees as commissions and general agent fees for selling policies issued by third-party insurance companies, on which we do not bear underwriting risk (both P&C and A&H segments).
- **AIF Management Fees** – We charge a fee for managing the reciprocal exchanges through the Attorneys-in-Fact, which were included in the Tower Personal Lines transaction that closed on September 15, 2014 (P&C segment). We note that these fees are eliminated in consolidated GAAP results.

Service and Fee Revenue (\$ in millions)



2017 Service and Fee Revenue by Category (\$ millions)



* NOTE: Period from March 1, 2010 (Inception) to December 31, 2010.

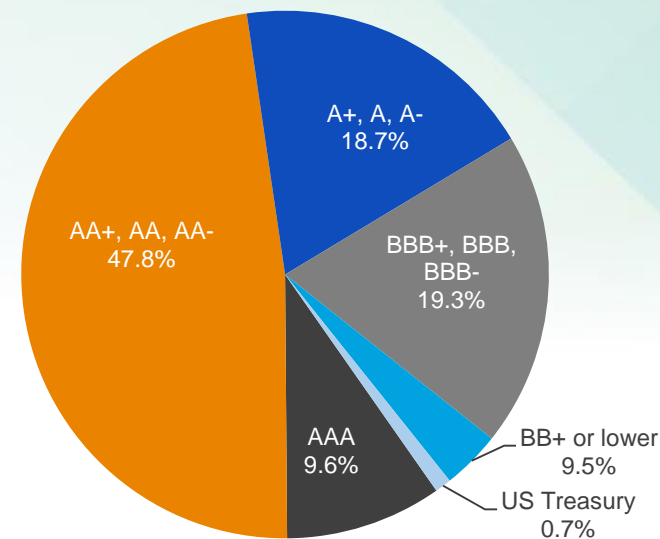
Conservative Investment Portfolio

Composition by Asset Class (\$ in millions) at March 31, 2018

Fair Value at March 31, 2018

	Consolidated Total	% of Portfolio
Preferred Stock	\$ 2.2	0.1%
Common Stock	48.0	1.2%
Total Equities, available-for-sale	50.2	1.2%
Corporate Bonds	1,098.8	27.3%
Residential MBS	1,026.0	25.5%
Structured Securities	367.0	9.1%
Municipal Bonds	378.3	9.4%
Commercial MBS	223.5	5.5%
Foreign Government	89.1	2.2%
U.S. Treasuries & Federal Agency	61.7	1.5%
Total Fixed Maturities, available-for-sale	3,244.3	80.5%
Subtotal Equities & Fixed Maturities, available-for-sale	3,294.5	81.8%
<i>Other Investments</i>		
Cash & Cash Equivalents	321.9	8.0%
Equity in Unconsolidated Subsidiaries	241.8	6.0%
Other Investments	74.1	1.8%
Short Term Investments	40.0	1.0%
Restricted Cash and Cash Equivalents	56.1	1.4%
Total Investment Portfolio	\$ 4,028.4	100.0%

Fixed Income Composition by Ratings at March 31, 2018



Fixed Income Portfolio Key Statistics at March 31, 2018

Average Yield: 3.0%

Average Duration: 4.16 years

Capital Position

Recent capital actions include:

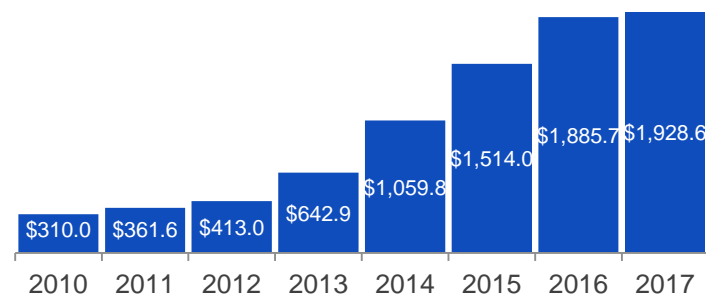
- On March 27, 2015, we closed on \$150.0 million of 7.50% Series B Non-Cumulative Preferred Stock redeemable on or after April 15, 2020. On April 6, 2015, the underwriters over-allotment option was exercised for an additional \$15.0 million.
- On August 18, 2015 we closed a Follow-On Offering of 11.5 million common shares at \$19.00 per share (including the underwriters over-allotment option), generating approximately \$210.9 million of net proceeds.
- On August 18, 2015 we closed an offering of \$100 million in aggregate principal amount of 7.625% Subordinated Notes due 2055, resulting in net proceeds of \$96.85 million.
- On October 8, 2015 we closed on a private issuance of \$100 million in aggregate principal amount of 6.75% Senior Unsecured Notes due 2024, resulting in net proceeds of approximately \$98.85 million.
- On January 25, 2016, we entered into a \$225 million revolving credit facility with a letter of credit sub-limit of \$25 million and an expansion feature up to \$50 million. The facility has a maturity date of January 25, 2020, and replaces our previous \$135 million credit agreement.
- On July 7, 2016, we closed on \$200.0 million of 7.50% Series C Non-Cumulative Preferred Stock redeemable on or after July 15, 2021.

We expect to be able to write business with operating leverage of up to approximately 1.8x total capital.

NGHC Capital Position (\$ in millions)

	<u>March 31, 2018</u>
Shareholders' Equity	\$1,957.1
Debt	\$713.9
Total Capital	\$2,671.0
Undrawn Amount of \$245m LOC	\$55.0
Total Available Capital	\$2,726.0
Debt to Equity Ratio	36.5%
Debt to Total Capital Ratio	26.7%

NGHC Shareholders' Equity (\$ in millions)



NGHC: Investment Opportunity

We are a diversified insurance holding company with the ability to leverage a unique portfolio of differentiated products to generate industry leading underwriting and overall profitability, driven by:

- **Strong Premium Growth** – we expect to continue to produce strong top line growth through continued selective acquisitions, the integration of a homeowners product offering, further expansion of A&H lines, organic growth within our core P&C book, and additional technology-driven product offerings.
- **Disciplined Expense Management** – we aim to produce peer-group leading expense ratios, driven by our new policy administration system, state of the art technology and an intense focus on disciplined expense management.
- **Focus on Acquisitions** – we expect acquisitions to boost results, and we will continue to look at opportunistic M&A as a way to build our company.
- **A&H Opportunity** –we expect significant demand for supplemental and small group self-funded products to continue, and we see a significant opportunity for growth in this space.
- **Experienced Management Team** – our senior management team has extensive experience in insurance and financial services, with a demonstrated track record of delivering shareholder value.
- **Strong Balance Sheet** – our balance sheet is well positioned with a conservative investment portfolio, a solid capital position, and adequate reserves.

We target a low- to mid-teens ROE across market cycles

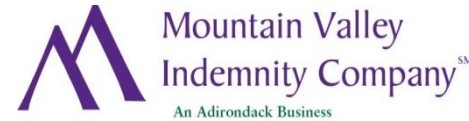
Companies and Partners



North Star Marketing



ADIRONDACK INSURANCE EXCHANGE®



Healthcare Solutions Team®
A Plan for Everyone®

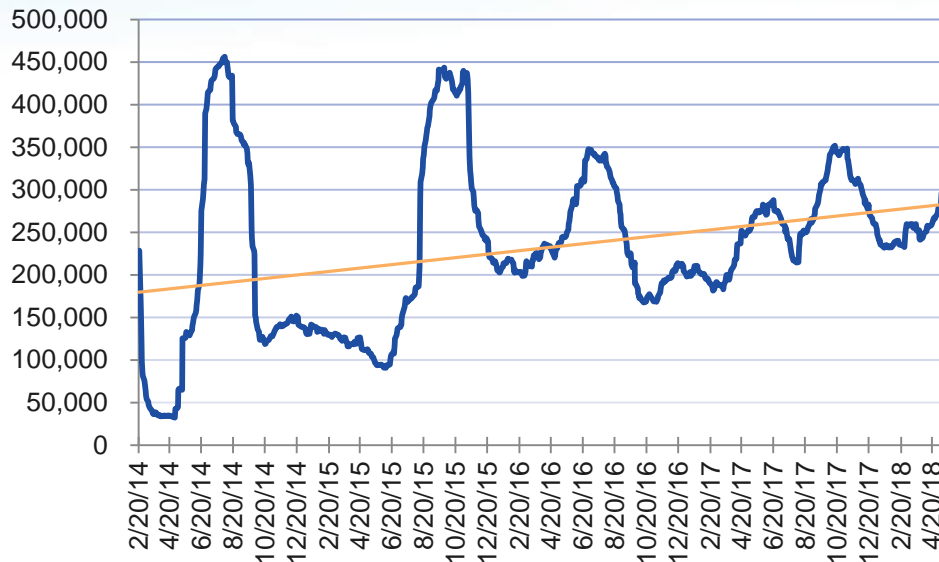


APPENDIX: SUPPLEMENTARY INFORMATION

Liquidity & Ownership

- Average Daily Volume: 297,348 shares (3 month average daily volume as of May 9, 2018)
- Currently approximately 43% of our shares are owned by Affiliated Shareholders, with approximately 57% publicly floating.

3 Month Average Daily Volume



Affiliated Shareholders/Available Floating Shares

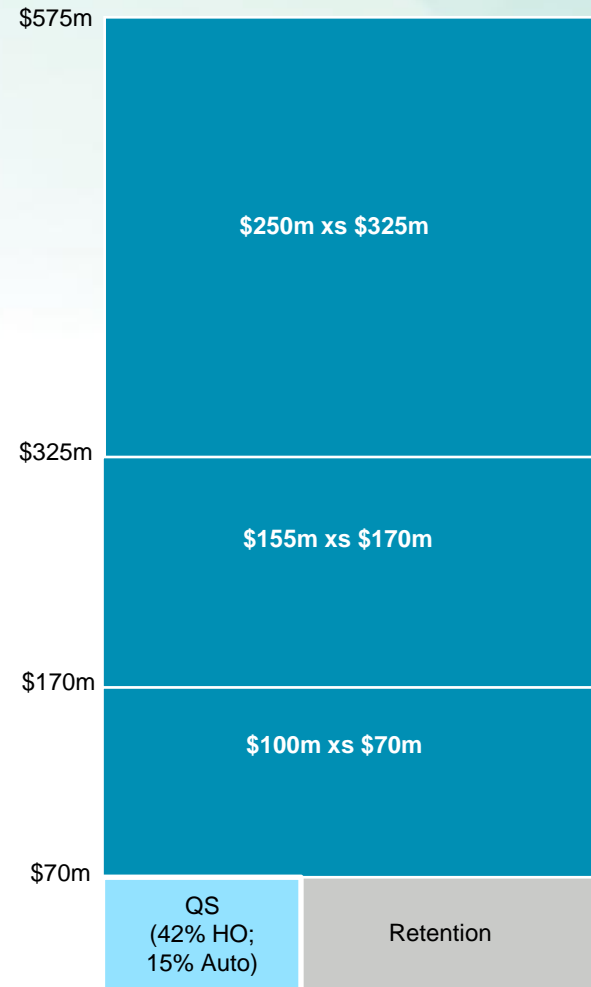
Holder	Shares (millions)	% of Shares
Karfunkel Family Trusts	45.6	42.8%
June 2013 Equity Issuance	34.2	32.1%
February 2014 Follow-On Equity Issuance	13.6	12.8%
August 2015 Follow-On Equity Issuance	11.5	10.8%
October 2016 Standard Mutual Subscription Rights	0.3	0.3%
Exercised Options/RSUs	1.4	1.3%
Total	106.6	100.0%

Catastrophe Reinsurance

We have a sizable reinsurance program that we believe conservatively protects our capital position in the case of a catastrophic event

- Cover provides protection to the 156 year All Perils (RMS/AIR Blend) return time and to above the 250 year Northeast only Hurricane return time (AIR)
- Tower has a reinstatement for second event coverage
- Within the \$70 mln retention are the 42% homeowners' quota share and 15% auto quota share, which inures to the benefit of the company
- Panel of financially strong reinsurers
- The property catastrophe program for the Reciprocal Exchanges, which was effective July 1, 2017, provides \$355 million of coverage in excess of a \$20 million per event retention (exposure is reduced further by a 50.5% quota share arrangement), with one reinstatement.
- Our casualty catastrophe program provides \$45 million of coverage in excess of a \$5 million retention.
- For umbrella policies, we have \$9 million of coverage in excess of \$1 million retention.

May 1, 2018 – April 30, 2019



Quota Share Reinsurance

Effective July 1, 2017, we entered into two separate third party quota share arrangements, each with a duration of two years

The quota share arrangements support the growth we are experiencing in our auto and homeowners lines of business, and have provided sideways protection to large loss events

Auto

- 15% of net liability under auto policies in force at 7/1/2017 and new and renewal policies issued during the term of the arrangement
- 31.2% ceding commission, subject to a sliding scale adjustment to a max of 32.8% if the loss ratio is <63.4% or a minimum of 29.6% if the loss ratio is >66.6%
- Reinsurance agreement is with Hannover Re

Home

- 29.6% of net liability under home policies in force at 7/1/2017 and new and renewal policies issued during the term of the arrangement, which was increased to 42% effective April 1, 2018
- 42.5% ceding commission on 29.6% of the cede and 38% ceding commission on 12.4% of the cede (effective April 1, 2018)
- Reinsurance agreement is led by Everest Re and Munich Re

APPENDIX: FINANCIAL INFORMATION

Summary Income Statement (\$ in thousands)

	Twelve Months Ended December 31, 2016			Twelve Months Ended December 31, 2017			Three Months Ended March 30, 2018		
	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated
Revenues:									
Gross written premium	\$3,261,670	\$241,540	\$3,500,898 ^(A)	\$4,375,414	\$383,773	\$4,755,985 ^(G)	\$1,337,042	\$97,689	\$1,433,130 ^(O)
Net written premium	2,952,148	120,548	3,072,696	3,401,946	175,649	3,577,595	1,056,065	50,578	1,106,643
Net earned premium	2,884,776	110,395	2,995,171	3,484,305	169,871	3,654,176	859,483	46,055	905,538
Ceding commission income	2,078	43,522	45,600	56,276	60,180	116,456	32,958	11,510	44,468
Service, fees, and other income	410,771	3,862	380,817 ^(B)	552,580	5,794	502,927 ^(I)	154,760	2,446	142,122 ^(P)
Net investment income	112,977	8,716	115,187 ^(C)	102,229	9,325	101,950 ^(J)	25,019	2,144	25,011 ^(Q)
Net realized gain/(loss) on investments	29,491	515	30,006	40,665	6,123	46,788	249	(131)	118
Other than temporary impairment losses	(22,102)	0	(22,102)	(25)	0	(25)	0	0	0
Bargain purchase gain and other revenue	24,308	0	24,308	(198)	0	(198)	0	0	0
Total revenues	3,442,299	167,010	3,568,987 ^(D)	4,235,832	251,293	4,422,074 ^(K)	1,072,469	62,024	1,117,257 ^(R)
Expenses:									
Loss and loss adjustment expense	2,023,064	69,216	2,092,280	2,506,242	119,840	2,626,082	589,635	44,531	634,166
Acquisition and other underwriting costs	481,865	15,148	497,007 ^(E)	622,269	50,160	672,429	157,608	11,102	168,710
General and administrative	677,582	65,376	709,148 ^(F)	887,472	80,971	912,996 ^(L)	227,293	18,796	231,005 ^(S)
Interest expense	40,180	6,506	40,180 ^(G)	47,086	9,604	47,086 ^(M)	11,154	2,152	11,154 ^(T)
Total expenses	3,222,691	156,246	3,338,615 ^(H)	4,063,069	260,575	4,258,593 ^(N)	985,690	76,581	1,045,035 ^(U)
Pre-Tax Income	219,608	10,764	230,372	172,763	(9,282)	163,481	86,779	(14,557)	72,222
Provision for income taxes	43,789	(9,791)	33,998	66,918	(5,645)	61,273	18,571	(2,369)	16,202
Net income	175,819	20,555	196,374	105,845	(3,637)	102,208	68,208	(12,188)	56,020
Less: Net income attributable to Non Controlling Interest	113	20,555	20,668	0	(3,637)	(3,637)	0	(12,188)	(12,188)
Net income attributable to NGHC	175,706	0	175,706	105,845	0	105,845	68,208	0	68,208
Less: dividends on preferred shares	24,333	0	24,333	31,500	0	31,500	7,875	0	7,875
Net income available to common stockholders	\$151,373	\$0	\$151,373	\$74,345	\$0	\$74,345	\$60,333	\$0	\$60,333

NOTE: Consolidated column includes eliminations as follow s: (A) \$(2,312), (B) \$(33,816), (C) \$(6,506), (D) \$(40,322), (E) \$(6), (F) \$(33,810), (G) \$(6,506), (H) \$(40,322),

(I) \$(3,202), (J) \$(55,447), (K) \$(9,604), (L) \$(65,051), (M) \$(9,604), (N) \$(65,051), (O) \$(1,601), (P) \$(15,084), (Q) \$(2,152), (R) \$(17,236), (S) \$(15,084), (T) \$(2,152), (U) \$(17,236)

Balance Sheet Highlights (\$ in thousands)

	December 31, 2016			December 31, 2017			March 31, 2018		
	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated
Assets									
Total investments	\$3,413,727	\$306,345	\$3,631,064 ^(A)	\$3,411,730	\$327,213	\$3,649,788 ^(K)	\$3,406,943	\$332,565	\$3,650,316 ^(T)
Cash and cash equivalents	212,894	7,405	\$220,299	286,840	5,442	\$292,282	316,057	5,880	321,937
Premiums and other receivables	1,045,377	47,198	\$1,091,774 ^(B)	1,268,330	56,792	\$1,324,321 ^(L)	1,449,891	49,581	1,497,871 ^(U)
Reinsurance recoverable on unpaid losses	892,264	55,972	\$948,236	1,199,961	94,204	\$1,294,165	1,227,476	107,250	1,334,726
Intangible assets, net	456,695	11,025	\$467,720	400,385	3,685	\$404,070	393,766	3,460	397,226
Goodwill	158,364	0	\$158,364	174,153	0	\$174,153	174,153	0	174,153
Other assets	652,932	89,764	\$720,571 ^(C)	1,186,056	130,763	\$1,300,964 ^(M)	1,182,896	128,792	1,292,917 ^(V)
Total Assets	\$6,832,253	\$517,709	\$7,238,028 ^(D)	\$7,927,455	\$618,099	\$8,439,743 ^(N)	\$8,151,182	\$627,528	\$8,669,146 ^(W)
Liabilities									
Unpaid loss and loss adjustment expense reserves	\$2,136,791	\$137,075	\$2,273,866	\$2,520,204	\$143,353	\$2,663,557	\$2,520,121	\$158,796	\$2,678,917
Unearned premiums & other service revenue	1,502,562	198,724	\$1,701,286	1,807,210	225,395	\$2,032,605	2,003,147	228,198	2,230,544 ^(X)
Reinsurance payable	78,949	20,662	\$98,810 ^(E)	329,772	69,076	\$398,047 ^(O)	378,517	60,155	437,071 ^(Y)
Accounts payable and accrued expenses	331,129	13,179	\$337,910 ^(F)	423,054	24,682	\$431,881 ^(P)	401,407	28,110	411,547 ^(Z)
Debt	752,001	89,008	\$752,001 ^(G)	713,710	89,155	\$713,710 ^(Q)	713,893	89,192	713,893 ^(AA)
Other Liabilities	145,138	27,386	\$156,797 ^(H)	204,936	41,582	\$246,518	177,008	55,513	232,521
Total Liabilities	\$4,946,570	\$486,034	\$5,320,670 ^(I)	\$5,998,886	\$593,243	\$6,486,318 ^(R)	\$6,194,093	\$619,964	\$6,704,493 ^(AB)
Stockholders' Equity	\$1,885,683	\$31,675	\$1,917,358	\$1,928,569	\$24,865	\$1,953,434	\$1,957,089	\$7,564	\$1,964,653
Total Liabilities and Stockholders' Equity	\$6,832,253	\$517,709	\$7,238,028 ^(J)	\$7,927,455	\$618,108	\$8,439,752 ^(S)	\$8,151,182	\$627,528	\$7,244,981 ^(AC)

* **NOTE:** Consolidated column includes eliminations as follows: (A) \$(89,008), (B) \$(801), (C) \$(22,125), (D) \$(111,934), (E) \$(801), (F) \$(6,398), (G) \$(89,008), (H) \$(15,727), (I) \$(89,155), (J) \$(105,811), (K) \$(89,155), (L) \$(801), (M) \$(15,855), (N) \$(105,811), (O) \$(801), (P) \$(15,855), (Q) \$(89,155), (R) \$(105,811), (S) \$(105,811), (T) \$(89,192), (U) \$(1,601), (V) \$(18,771), (W) \$(109,564), (X) \$(801), (Y) \$(1,601), (Z) \$(17,970), (AA) \$(89,192), (AB) \$(109,564), (AC) \$(109,564).

Segment Performance: Quarterly (\$ in thousands)

Three Months Ended March 31,

	2018				2017			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Gross written premium	\$1,103,266	\$233,776	\$1,337,042	\$97,689	\$980,013	\$191,955	\$1,171,968	\$82,216
Net written premium	832,712	223,353	1,056,065	50,578	902,238	181,114	1,083,352	41,701
Net earned premium	705,607	153,876	859,483	46,055	750,527	128,926	879,453	39,032
Ceding commission income (primarily related parties)	32,700	258	32,958	11,510	2,460	287	2,747	17,247
Service, fees, and other income	109,573	45,187	154,760	2,446	103,590	32,273	135,863	2,080
Total underwriting revenue	\$847,880	\$199,321	\$1,047,201	\$60,011	\$856,577	\$161,486	\$1,018,063	\$58,359
Loss and loss adjustment expense	\$498,357	\$91,278	\$589,635	\$44,531	\$521,334	\$69,383	\$590,717	\$28,100
Acquisition costs and other	114,000	43,608	157,608	11,102	129,050	31,490	160,540	14,180
General and administrative	176,685	50,608	227,293	18,796	196,870	45,213	242,083	25,103
Total underwriting expenses	\$789,042	\$185,494	\$974,536	\$74,429	\$847,254	\$146,086	\$993,340	\$67,383
Underwriting income (loss)	\$58,838	\$13,827	\$72,665	(\$14,418)	\$9,323	\$15,400	\$24,723	(\$9,024)
Non-cash amortization of intangible assets and goodwill	5,400	1,520	6,920	(27)	19,734	1,603	21,337	7,069
Underwriting income (loss) before amortization and impairment	\$64,238	\$15,347	\$79,585	(\$14,445)	\$29,057	\$17,003	\$46,060	(\$1,955)
Underwriting ratios								
Loss and loss adjustment expense ratio ⁽²⁾	70.6%	59.3%	68.6%	96.7%	69.5%	53.8%	67.2%	72.0%
Operating expense ratio (Non-GAAP) ^(3,4)	21.0%	31.7%	22.9%	34.6%	29.3%	34.2%	30.0%	51.1%
Combined Ratio (Non-GAAP) ^(3,5)	91.6%	91.0%	91.5%	131.3%	98.8%	88.0%	97.2%	123.1%
Underwriting ratios (before amortization and impairment)								
Loss and loss adjustment expense ratio ⁽²⁾	70.6%	59.3%	68.6%	96.7%	69.5%	53.8%	67.2%	72.0%
Operating expense ratio (Non-GAAP) ^(3,6)	20.3%	30.7%	22.1%	34.7%	26.7%	33.0%	27.6%	33.0%
Combined Ratio (Non-GAAP) ^(5,7)	90.9%	90.0%	90.7%	131.4%	96.2%	86.8%	94.8%	105.0%

Non-GAAP Reconciliation (\$ in thousands)

Three Months Ended March 31,

	2017				2016			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Operating expense ratio (Non-GAAP)								
Total underwriting expenses	\$789,042	\$185,494	\$974,536	\$74,429	\$847,254	\$146,086	\$993,340	\$67,383
Less: Loss and loss adjustment expense	498,357	91,278	589,635	44,531	521,334	69,383	590,717	28,100
Less: Ceding commission income	32,700	258	32,958	11,510	2,460	287	2,747	17,247
Less: Service, fees and other income	109,573	45,187	154,760	2,446	103,590	32,273	135,863	2,080
Operating expense	148,412	48,771	197,183	15,942	219,870	44,143	264,013	19,956
Net earned premium	\$705,607	\$153,876	\$859,483	\$46,055	\$750,527	\$128,926	\$879,453	\$39,032
Operating expense ratio (Non-GAAP)	21.0%	31.7%	22.9%	34.6%	29.3%	34.2%	30.0%	51.1%
Operating expense ratio before amortization and impairment (Non-GAAP)								
Total underwriting expenses	\$789,042	\$185,494	\$974,536	\$74,429	\$847,254	\$146,086	\$993,340	\$67,383
Less: Loss and loss adjustment expense	498,357	91,278	589,635	44,531	521,334	69,383	590,717	28,100
Less: Ceding commission income	32,700	258	32,958	11,510	2,460	287	2,747	17,247
Less: Service, fees and other income	109,573	45,187	154,760	2,446	103,590	32,273	135,863	2,080
Less: Non cash amortization of intangible assets	5,400	1,520	6,920	(27)	19,734	1,603	21,337	7,069
Operating expense before amortization and impairment	143,012	47,251	190,263	15,969	200,136	42,540	242,676	12,887
Net earned premium	\$705,607	\$153,876	\$859,483	\$46,055	\$750,527	\$128,926	\$879,453	\$39,032
Operating expense ratio (Non-GAAP)	20.3%	30.7%	22.1%	34.7%	26.7%	33.0%	27.6%	33.0%

Additional Disclosures

1. Results for the twelve months ended December 31, 2014 include only 107 days of results of the Reciprocal Exchanges as the Attorneys-in-Fact were acquired with the closing of the Tower Personal Lines transaction on September 15, 2014.
2. Loss and loss adjustment expense ratio is calculated by dividing loss and loss adjustment expenses by net earned premium.
3. Operating expense ratio and combined ratio are considered non-GAAP financial measures under applicable SEC rules because a component of those ratios, operating expense, is calculated by offsetting acquisition and other underwriting costs and general and administrative expense by ceding commission income and service and fee income.
4. Operating expense ratio is a non-GAAP measure defined by the Company, that is commonly used in the insurance industry. The Company calculates the ratio by dividing operating expense by net earned premium. Operating expense consists of the sum of acquisition and other underwriting costs and general and administrative expense less ceding commission income and service and fee income. The ratio is used as an indicator of the Company's efficiency in acquiring and servicing its business. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this presentation for the reconciliation of these non-GAAP measures to the most directly comparable GAAP measure.
5. Combined ratio is a non-GAAP measure defined by the Company, that is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio and the operating expense ratio (non-GAAP) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this presentation for the reconciliation of these non-GAAP measures to the most directly comparable GAAP measure.
6. Operating expense ratio before amortization and impairment is a non-GAAP measure defined by the Company, that is commonly used in the insurance industry. The Company calculates the ratio by dividing the operating expense before amortization and impairment by net earned premium. Operating expense before amortization and impairment consists of the sum of acquisition and other underwriting costs and general and administrative expense less ceding commission income and service and fee income less non-cash amortization of intangible assets and non-cash impairment of goodwill. The ratio is used as an indicator of the Company's efficiency in acquiring and servicing its business. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this presentation for the reconciliation of these non-GAAP measures to the most directly comparable GAAP measure.
7. Combined ratio before amortization and impairment is a non-GAAP measure defined by the Company, that is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio and the operating expense ratio before amortization and impairment (non-GAAP) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this presentation for the reconciliation of these non-GAAP measures to the most directly comparable GAAP measure.