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Fact Sheet on the Michael Karfunkel Family Contribution to Tower Group and ACP Re

Michael Karfunkel Family 2005 Trust and members of the Michael Karfunkel family to contribute \$200 million
National General's stop loss reinsurance agreement for the Tower Group will be cancelled
National General loan to ACP Re will be restructured with stronger credit profile
National General's acquired personal lines business from Tower Group remains strong

Background

In September 2014, a subsidiary of ACP Re Ltd., ("ACP Re"), a privately held Bermuda corporation solely owned by the Michael Karfunkel Family Trust, acquired the Tower Group, a commercial and personal lines property and casualty insurer based in New York.

Subsequently, National General Holdings Corp. ("National General"), a personal lines property and casualty insurer, acquired the Tower Group's personal lines business, and AmTrust Financial Services, Inc. ("AmTrust") acquired the Tower Group's commercial lines business.

Over time, it has become apparent that Tower Group's liabilities were understated and that Tower Group was in a compromised liquidity position. The adverse reserve development recognized at the Tower Group relates to business that was produced prior to the ACP Re acquisition.

In a press release issued earlier today, the Department of Insurance of the State of California stated: "While that acquisition [by ACP Re] substantially improved Tower's situation by migrating policy and claims administration to more reliable data systems at AmTrust and National General, the volatility and deterioration of the pre-acquisition claims continued unabated through 2015."

The Michael Karfunkel Family 2005 Trust (the "Trust") and members of the Michael Karfunkel family (the "Family") will contribute \$200 million (the "Contribution") in connection with the approval of the conservation plan developed by the Commissioner of Insurance of the State of California to facilitate the orderly resolution of these legacy liabilities at Tower Group.

Summary of the Contribution and Effect on National General

The Contribution by the Trust and the Family represents a welcome development for National General. It will significantly increase Tower Group's liquidity and facilitate the orderly resolution of its policyholder liabilities. The Family's support for the Commissioner's plan, developed in collaboration with fellow regulators, is consistent with the Family's reputation as insurance industry leaders.

In consideration of the above:

- National General and AmTrust's \$250 million stop loss reinsurance agreement with the Tower Group will be cancelled.
- The terms of the National General and AmTrust loan that helped finance the ACP Re acquisition of Tower Group will be restructured, resulting in a stronger credit profile for this loan. The terms were negotiated and approved by National General's Audit Committee, which was represented by independent legal and

financial advisors. In approving the terms of the loan, the Audit Committee took into consideration the Family's contribution, the cancellation of the stop loss reinsurance agreement, and the provision by the Michael Karfunkel Family Trust of a stronger credit profile to secure ACP Re Holdings' outstanding loan obligations, all of which are beneficial to National General and AmTrust.

- The Family's Contribution allows National General and AmTrust to avoid credit exposure from the stop loss or the loan.

Acquired Personal Lines Business Remains Strong

The Tower Group's personal lines business has enhanced National General's market position in the personal lines insurance industry. The portion of Tower business renewed by National General is a well-performing book of business and, as we expected, has contributed to National General's financial and operating performance. National General has generated substantial premiums through these assets, creating shareholder value.

Forward Looking Statements

This fact sheet contains "forward-looking statements" that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. Forward-looking statements can generally be identified by the use of forward-looking terminology, such as "may," "will," "plan," "expect," "project," "intend," "estimate," "anticipate" and "believe" or their variations or similar terminology. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties, including, but not limited to, non-receipt of expected payments from insureds or reinsurers, changes in interest rates, a downgrade in the financial strength ratings of our insurance subsidiaries, the effect of the performance of financial markets on our investment portfolio, our ability to accurately underwrite and price our products and to maintain and establish accurate loss reserves, estimates of the fair value of life settlement contracts, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the cost and availability of reinsurance coverage, the effects of emerging claim and coverage issues, changes in the demand for our products, our degree of success in integrating acquired businesses, the effect of general economic conditions, state and federal legislation, regulations and regulatory investigations into industry practices, risks associated with conducting business outside the United States, developments relating to existing agreements, disruptions to our business relationships with AmTrust Financial Services, Inc., ACP Re Ltd, Maiden Holdings, Ltd. or third party agencies, breaches in data security or other disruptions involving our technology, heightened competition, changes in pricing environments, and changes in asset valuations. The forward-looking statements contained in this news release are made only as of the date of this release. The Company undertakes no obligation to publicly update any forward-looking statement except as may be required by law. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected is contained in the Company's filings with the Securities and Exchange Commission.

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