National General Holdings Corp.

Investor Presentation
Second Quarter 2014

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.

National General Holdings Corp. (NGHC)

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

Ticker Symbol*	**NGHC**
Current Price	$18.09 (as of close of trading on 9/19/2014)
Shares Outstanding	93.3 million (35.5 million public float)
Market Capitalization	$1.7 billion
Dividend & Yield	$0.01 per share quarterly / $0.04 per share annually (0.2% annual dividend yield)
Average Daily Volume	314,634 shares (3 month average daily volume as of 9/19/2014)
Fully Diluted Book Value Per Share	$9.48 (6/30/2014)
Capital Raises	▪ 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
Analyst Coverage	▪ *Randy Binner* – FBR Capital Markets & Co. ▪ *Bijan Moazami* – Guggenheim Securities ▪ *Matt Carletti* – JMP Securities ▪ *Adam Klauber, CFA* – William Blair & Company, L.L.C.
Company Contacts	▪ *Mike Weiner, CFA* – Chief Financial Officer, (212) 380-9492, Mike.Weiner@NGIC.com ▪ *Dean Evans* – Director of Investor Relations, (212) 380-9462, Dean.Evans@NGIC.com

*Shares trade on the NASDAQ Global Market following 144A Follow-On Offering priced at $14.00 per share on 2/19/2014.

Relationships with Affiliates

We believe our arms-length relationships with our affiliates – AmTrust Financial Services, Inc. (AFSI), Maiden Holdings, Ltd. (MHLD), and ACP Re, Ltd. – provide significant strategic competitive advantages benefitting us in acquisition capabilities, technology, asset management, and several other operational areas.

National General Holdings Corp.

- NASDAQ: NGHC
- $1.7 billion market cap
- Personal Lines holding company with P&C and A&H operations
- Legacy GMAC Insurance auto business
- Lead insurance company is Integon National, domiciled in North Carolina
- Significant management ownership aligns with interests of investors
  - Chairman/CEO and family own 48.8% of NGHC
  - AFSI has additional 13.2% common ownership of NGHC

AmTrust Financial

- NASDAQ: AFSI
- $3.0 billion market cap
- Commercial Lines P&C holding company
- Karfunkel Family ownership 59%
- AFSI provides NGHC:
  - IT systems development for a fee
  - Asset management for a fee

Maiden Holdings, Ltd

- NASDAQ: MHLD
- $0.9 billion market cap
- Reinsurance company focused on non-cat lines
- Karfunkel Family ownership 28%

ACP Re, Ltd.

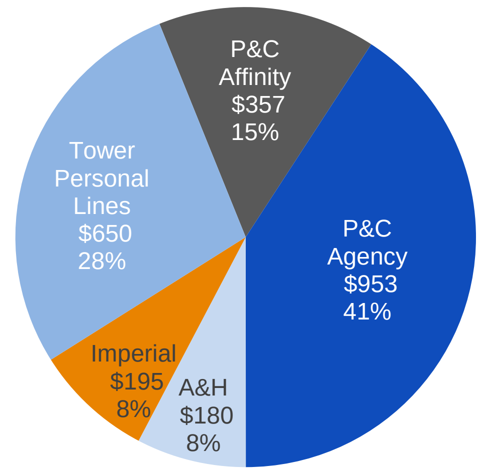
- Privately owned by Karfunkel Family
- Bermuda based Reinsurance company
- Acquirer of TWGP legacy business

National General Overview

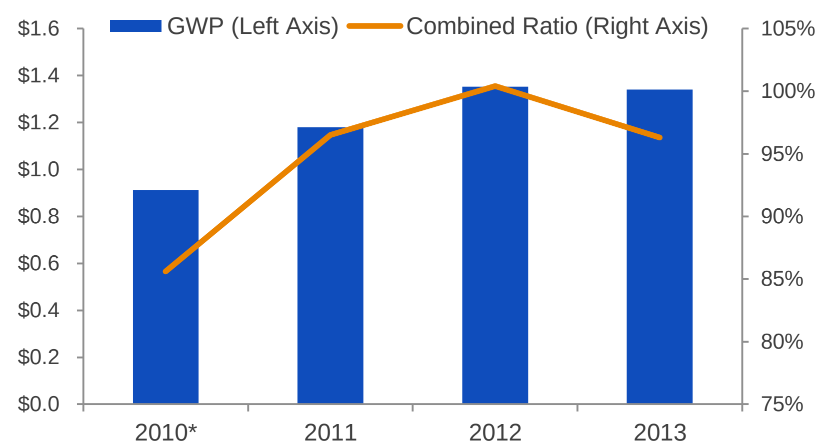
We are a personal lines insurer who is a top 20 writer of U.S. personal auto insurance, recently added a complementary homeowners book, and in recent years began building an A&H business from the ground up. Pro forma for the Tower Personal Lines and Imperial transactions, we have:

- >$2.2 billion GWP and managed premium
- $954.1 million of shareholders' equity and ~$1.2 billion total capital as of June 30, 2014
- An "A-" rating from A.M. Best
- Approximately 2,700 employees
- More than 1.5 million customers
- Over 22,000 independent agents & brokers
- Recent M&A transactions include:
  - **Imperial –** transaction closed on June 26, 2014; adds two underwriting companies with $150 million in GWP, an independent agency that produces $45 million in GWP, and an MGA; business includes personal auto, homeowners, Federal Flood, and commercial auto with a geographic concentration in FL, TX, and LA.
  - **Tower Personal Lines** – transaction closed on September 15, 2014; provides access to >$650 million GWP & managed premium; adds homeowners and umbrella product lines and ability to bundle products to agents/customers, enhanced geographic footprint, and access to >1,000 independent agents.

2013 Business Mix Pro Forma for Tower & Imperial



2010-2013 GWP ($ in billions) & Combined Ratio



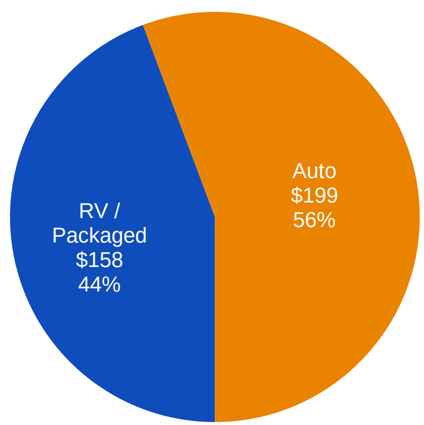
* Period from March 1, 2010 (Inception) to December 31, 2010.

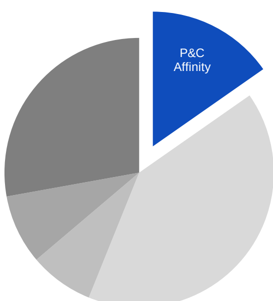
NOTE: Pro Forma Business Mix includes Tower Personal Lines gross and managed premiums of ~$650 million and Imperial gross and managed premiums of ~$195 million. Pro Forma Business Mix is for illustrative purposes only, should not be viewed as a projection of our future business mix, and does not include non-renewals or reinsurance impact on the Tower Personal Lines or Imperial books.

Property & Casualty - Affinity

- **History:** Entered in 1953
- **Geography:** Operates throughout U.S., key states include: MI, CA, FL, TX, and WA
- **Premium Volume:** $357 million of gross written premium in 2013
- **Distribution:** Direct through numerous long-term affinity relationships (top 10 have been in place for over 10 years)
- **Business Detail:** We offer a customized insurance product and pricing for affinity groups on a white label basis.
  - *Good Sam* – 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.
  - *General Motors & Family First* – We provide coverage for the employees and extended families of General Motors and their subsidiaries through the GM Family First program.
  - *Rural Letter Carriers* – We provide insurance to the National Rural Letter Carriers' Association, a 109 year-old labor union representing over 100,000 American rural letter carriers.

P&C Affinity - $357 million 2013 GWP



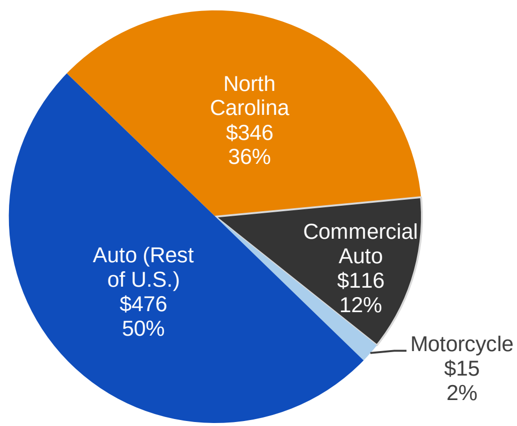


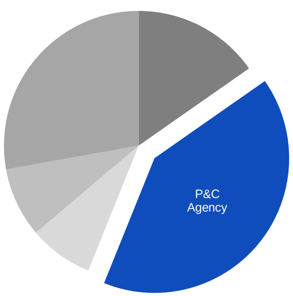
National General Holdings Corp.

Property & Casualty - Agency

- **History:** Entered in 1939
- **Geography:** Operates throughout U.S., key states include: NC, NY, VA, FL, WA, and CA
- **Premium Volume:** $953 million of gross written premium in 2013
- **Distribution:** Through more than 19,000 independent agents and brokers. We also own our own MGA, Clearside General, which allows us to distribute our products in a cost effective way.
- **Business Detail:** We offer auto insurance for sub-standard, preferred, and standard risks, as well as commercial vehicle and motorcycle insurance.
  - *North Carolina* – Through our Integon National subsidiary, we are a top writer of personal auto in North Carolina. The state has a unique "take all comers" market supported by the North Carolina Reinsurance Facility (NCRF), to which we cede roughly 40% of our gross written premium in the state.
  - *Commercial Auto* – These policies include coverage for liability and physical damage caused by 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.

P&C Agency - $953 million 2013 GWP

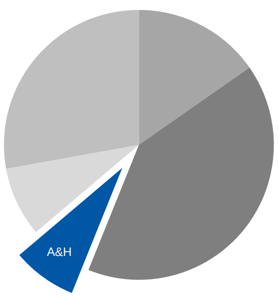




Accident & Health

- **History:** Entered in 2012
- **Geography:** Operates in the U.S. and Europe
- **Premium Volume:** $33.5 million of gross written premium in 2013, with total managed premium of ~$180 million
- **Distribution:** Numerous distribution channels including call center agency, independent agency, worksite marketing, and third party general agencies.
- **Business Detail:** Provides niche supplemental and non-major medical insurance to individuals and small employer groups. Products, distribution, and target customers include:

Products	Distribution Channels	Target Customers
Accident/AD&D	Call Center Agency (VelaPoint)	Uninsured
Limited Medical/Hospital Indemnity	Independent Agency (AHCP)	Underinsured
Short Term Medical	Worksite Marketing (TABS)	Existing P&C Customers
Cancer/Critical Illness	Large 3rd Party General Agencies	Small-to-Mid Sized Employers
Stop Loss		
Term Life		
Dental/Vision		



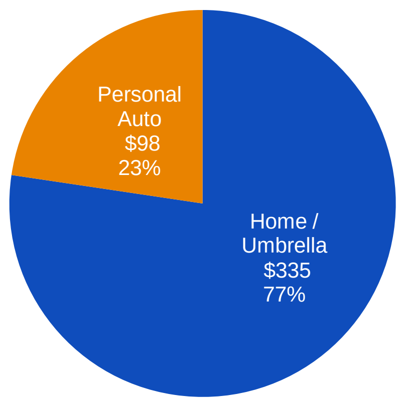
National General Holdings Corp.

Tower Personal Lines

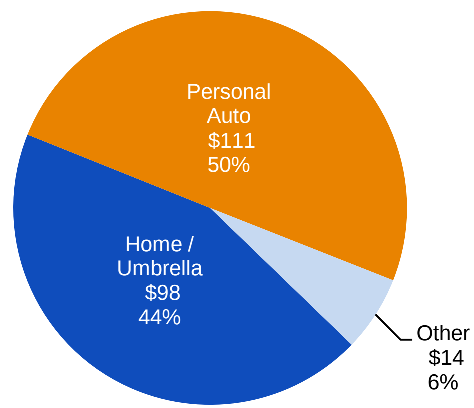
TOWER GROUP PERSONAL LINES

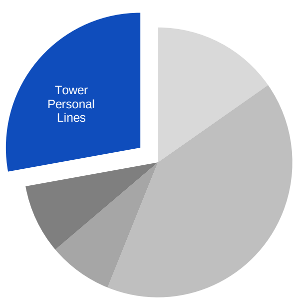
- **History:** Origins date to late 1800s, transaction closed on September 15, 2014
- **Geography:** Operates throughout U.S., key states include: CA, CT, MA, ME, NH, NJ, NY, RI, and VT
- **Premium Volume:** ~$650 mm managed and GWP in 2013
  - Tower wrote $433.1 million of GWP in homeowners, umbrella, and personal auto in 2013
  - Reciprocal Exchanges (Adirondack Insurance Exchange and New Jersey Skylands Insurance Association) wrote $223.0 million of GWP in 2013
- **Distribution:** Established relationships with large national insurers to offer homeowners coverage, as well as over 1,000 independent agents.
- **Business Detail:** Provides homeowners, personal auto, package and umbrella coverage.
- *Please see "Tower Personal Lines Transaction" and "Tower Personal Lines Historical Results" slides in appendix on pages 31 and 32, respectively, for additional details.*

Tower - $433 million 2013 GWP



Reciprocals - $223 million 2013 managed GWP



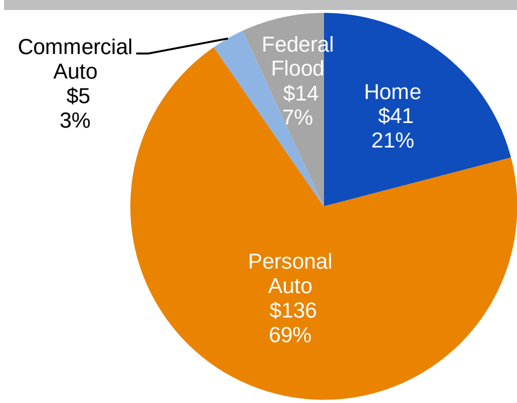


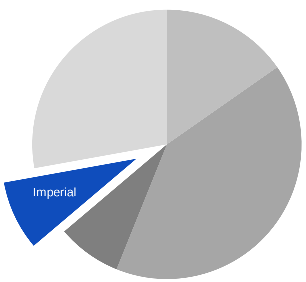
National General Holdings Corp.

Imperial

- **History:** Founded in 1990, acquired by National General on June 26, 2014.
- **Geography:** Select states in the South/Southeast, with key states including FL, TX, and LA.
- **Premium Volume:** $195 mm managed and GWP in 2013, including: $150 million GWP at underwriting subsidiaries and $45 million of managed premium written by ABC insurance agencies (~$7 million on Imperial paper).
- **Distribution:** Through over 2,000 independent agents, an in-house independent retail agency and an internal MGA.
- **Business Detail:** Imperial underwrites personal auto, homeowners, commercial auto, and Federal Flood policies through four operating subsidiaries –
  - *Imperial Fire & Casualty Insurance Company* - Underwrites personal auto in AR, FL, LA, OK and TX; homeowners in LA and TX; a commercial auto program in LA; and is licensed to write Federal Flood policies in 20 states.
  - *National Automotive Insurance Company* - Acquired in December 2013 and provides non-standard personal auto insurance through independent agents across LA, with a heavy policyholder concentration in New Orleans.
  - *ABC Insurance Agencies* - Acquired in 2001, an independent agency group that sells auto, homeowners, and RV insurance products through 32 retail locations in LA and TX.
  - *RAC Insurance Partners* - Acquired in 2009, a Managing General Agency that produces specialty auto programs and non-standard auto business, operating in FL with a concentration in Miami-Dade County.

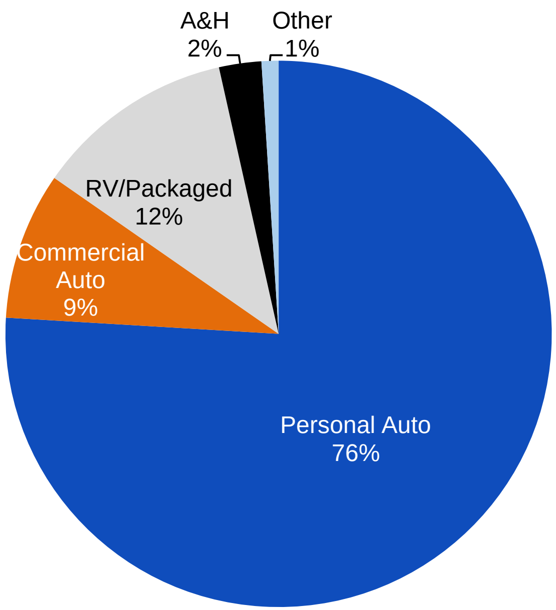
Imperial - $195 million 2013 managed & GWP

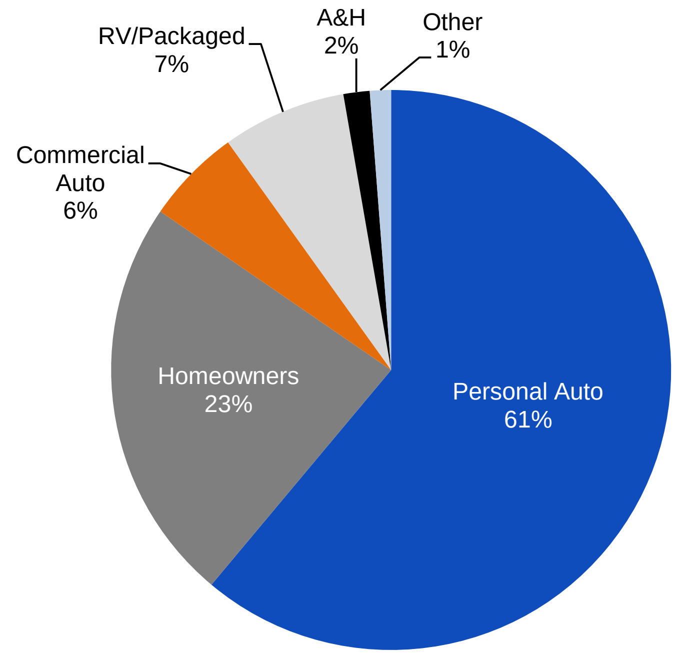




Product Mix

2013 Product Mix	2013 Product Mix Pro Forma for Tower and Imperial





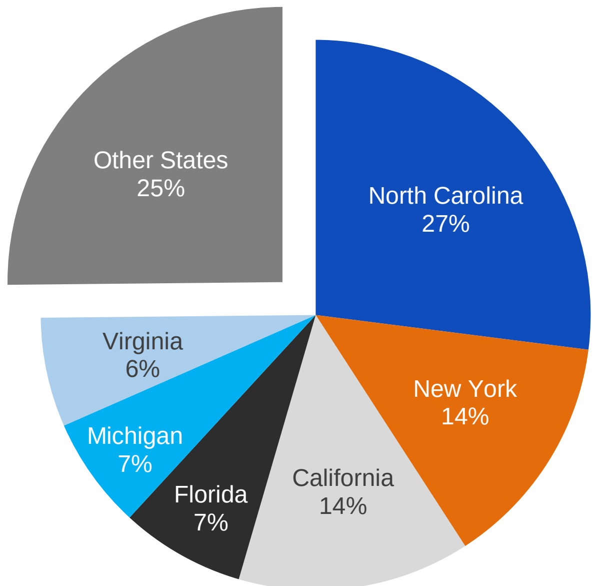
$1.3 billion GWP	~$2.2 billion managed & GWP

- Broad mix of business in multiple locations minimizes risk.
- Sub-standard and commercial auto primarily offered through independent agents.
- Standard and preferred auto primarily offered through affinity groups (includes RV).
- Non-major medical accident and health offered through brokers, employer groups, independent agents and in-house call center.

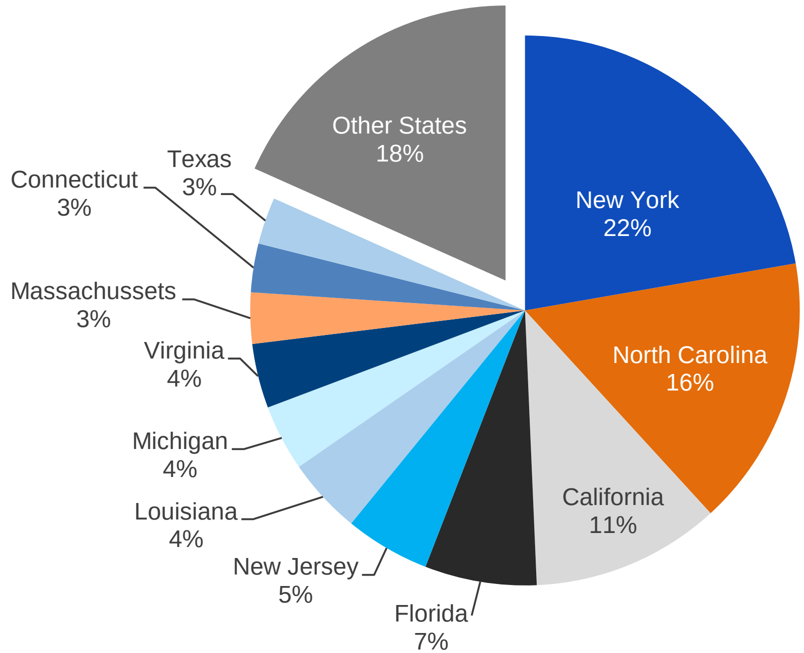
NOTE: Pro Forma Product Mix includes Tower Personal Lines total gross written and managed premiums of ~$650 million and Imperial total gross and managed premium of ~$195 million. Pro Forma Product Mix representation is for illustrative purposes only, should not be viewed as a projection of our future product mix, and does not include non-renewals or reinsurance impact on the Tower Personal Lines or Imperial books.

Geographic Distribution

2013 Geographic Mix



2013 Geographic Mix Pro Forma for Tower and Imperial



$1.3 billion GWP

- We believe that our geographic and product mix helps to limit our exposure to catastrophic events.
- We are licensed to operate in 50 states and the District of Columbia.
- 6 key states comprise nearly 75% of our total GWP.

~$2.2 billion managed & GWP

NOTE: Pro Forma Geographic Mix includes Tower Personal Lines total gross written and managed premiums of ~$650 million and Imperial total gross written and managed premiums of ~$195 million. Pro Forma Geographic Mix representation is for illustrative purposes only, should not be viewed as a projection of our future geographic mix, and does not include non-renewals or reinsurance impact on the Tower Personal Lines or Imperial books.

National General Holdings Corp.

The National General Advantage

1	We have **proven leadership with an experienced management team** that has a history of creating shareholder value in previous ventures
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	Our **expanding A&H segment offers a unique opportunity** with significant market potential and a predictable and complementary line of business which adds value to our customers and agents
7	We have a **strong balance sheet** with a conservative investment portfolio, stable loss reserves, and a strengthened capital position

Management Team

We believe we have a highly experienced and capable management team with a long history in the property and casualty insurance and financial services industries. Key members of our senior management team include:

Michael Karfunkel Chairman, Chief Executive Officer	▪ 40+ years experience in the financial services industry ▪ Holds significant interests in insurance, banking and real estate companies ▪ Co-Founder and former Co-Owner/President of American Stock Transfer & Trust Company, Chairman of AmTrust Financial Services (AFSI)
Michael Weiner Chief Financial Officer	▪ 19+ years of experience in the financial services and insurance industry ▪ Joined National General in March 2010 ▪ Previous experience includes: Cerberus, Citigroup, KPMG LLP and Bankers Trust Co.
Byron Storms President – P&C Operations	▪ 22+ years of experience in the personal lines insurance industry ▪ Joined National General in December 2011 ▪ Previous experience includes: Farmers Insurance, Foremost Insurance and Bristol West Insurance
Michael Murphy EVP – A&H Operations	▪ 31+ years of experience in the health insurance industry ▪ Joined National General in December 2012 ▪ Previous experience includes: Coventry Healthcare, United Health Group and CIGNA
Tom Newgarden Chief Product / Analytics Officer	▪ 24+ years of experience in the insurance industry ▪ Joined National General in August 2010 ▪ Previous experience includes: Safeco and AIG
Dave Koegel Chief Actuary	▪ 34+ years of experience in the insurance industry ▪ Joined National General in February 2014 ▪ Previous experience includes: ISO, AIG, American Re, Deloitte & Touche, Imagine Re and AmTrust
M&A Additions	▪ An added benefit of our active acquisition strategy is a consistent influx of management and operational talent ▪ *Tower Personal Lines* – Expect to retain a substantial number of employees and management following closing of the transaction on September 15, 2014 ▪ *Imperial* – We retained the entire Imperial management team

National General Holdings Corp.

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.
- 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.
- We have substantially upgraded our information technology capabilities in recent years.

NPS

- NPS is our comprehensive state of the art policy administration system which allows for policy quoting, binding, and servicing and will allow agents to more quickly sell our products while providing tools to help them service business and bind more policies with National General.
- NPS is scalable to allow for future organic and acquisition growth.
- As of today our 3 legacy systems are retired and 100% of our P&C policies are on NPS.
- We expect the implementation of NPS and retirement of our legacy systems to result in significant cost savings going forward.

RAD 5.0

- RAD 5.0 is an underwriting pricing tool developed by our predictive analytics team that more accurately prices specific risk exposures to assist us in profitably underwriting our P&C products.
- RAD 5.0 offers numerous additional components and pricing strategies such as supplemental risk and improved credit modeling, and also facilitates better pricing over the lifetime of a policy by employing lifetime value and elasticity 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

- EPIC is our Siebel-based claims system.
- We believe we are ahead of the curve from an industry standpoint with EPIC, including workload management, document management, automatic assignment logic and seamless integration with over twenty different interfaces.
- The claims system was recently upgraded to the latest Siebel platform, which allows for the latest browsers and mobile applications.

Telematics

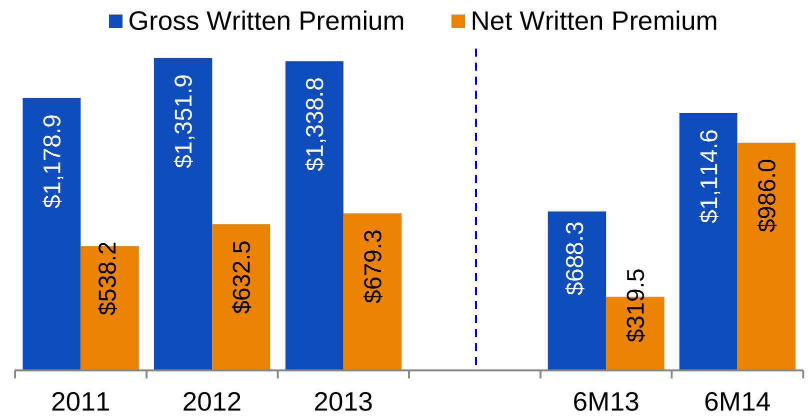
- Consistent with our niche, technology-driven focus, we have entered into an arrangement with a managing general agency that has developed advanced vehicle telematics technology that monitors miles driven and other driver behavior, enabling us to leverage this technology to offer lower cost, low mileage products with less exposure.
- MetroMile: www.metromile.com

METROMILE
Because you drive less

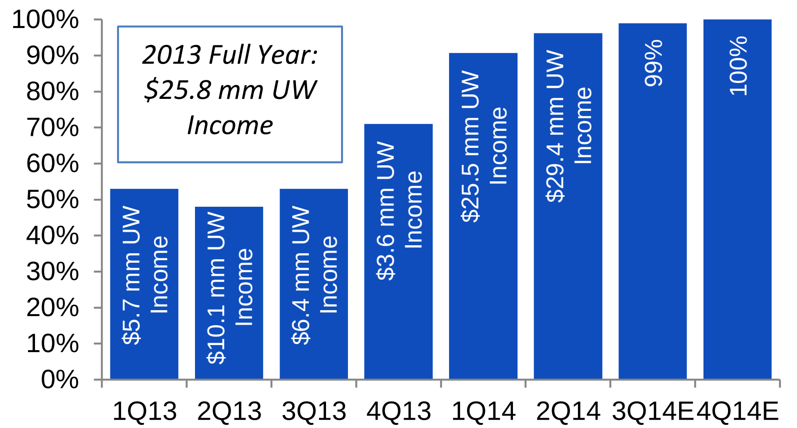
Focus on Profitable Underwriting *($ in millions)*

- Our focus on specialty markets and niche distribution channels provides the greatest opportunity for achieving superior long-term growth and profitability, while our sophisticated analytics drives better risk selection and improved margins
- The cession of premiums under our 50% third-party quota share was completed August 2014, resulting in increased retained premium and underwriting income

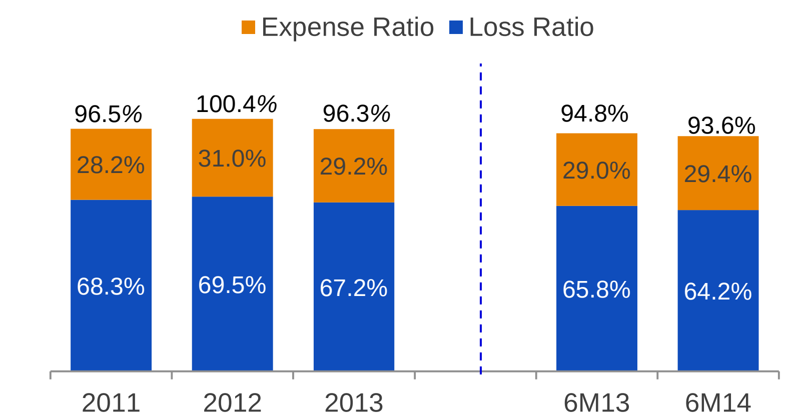
Gross and Net Written Premium



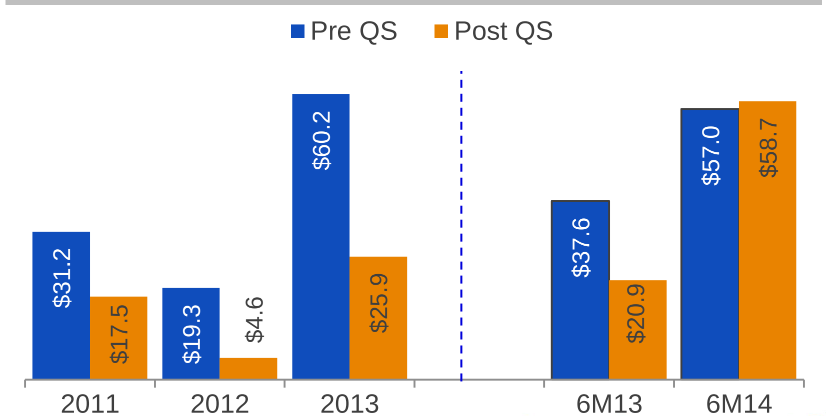
Third-Party Quota Share Retention



Combined Ratio



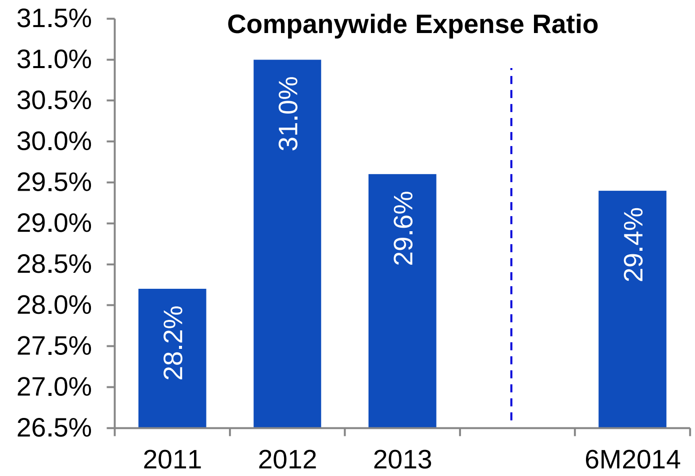
Pre/Post Quota Share P&C Underwriting Income



National General Holdings Corp.

Disciplined Expense Management

- We have an intense focus on 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



Near-term expense ratio drivers include:

- **Tower Personal Lines –** Before closing, Tower Personal Lines business was written at a 20% ceding commission on UPR or 22% ceding commission on new and renewal business, plus a 4% claims handling expense (included in the loss ratio). After closing, the expense ratio will likely be closer to a blend of Tower's historical run-rate (average of 39.7% from 2011-2013) and our P&C segment expense ratio (average of 29.9% from 2011-2013, and 28.1% in the first six months of 2014). Over the next 12-18 months, we expect to drive the expense ratio closer to our historical levels.
- **Systems –** The move of 100% of our policies to NPS and the retirement of our 3 legacy systems is expected to result in a benefit to the expense ratio beginning in early 2014; a partial offset will be the increased cost to upgrade NPS for the homeowners product line in the coming quarters.
- **Real Estate –** Recent real estate related cost saving efforts include our Winston Salem office relocation and a reduction in office space usage in St. Louis, expected to result in annual cost savings of $4 million and $2 million, respectively, beginning in the third and fourth quarter.

National General Holdings Corp.

Historic Roots & Growth Through Strategic Acquisitions

- 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, as subsidiary of MIC General Insurance Group ("MICG") starts offering automobile liability insurance to GM employees

1991: GMAC purchases the National General Insurance Companies, allowing it to provide insurance through affinity groups and provide a broader products offering to GM and GMAC employees

1997: GMAC Insurance purchases Integon, the NC-based insurance group with independent agency distribution in 20 states

1999: MICG, National General Insurance and Integon start operating under the GMAC Insurance name

2001: GMAC Insurance launches GMAC Insurance online

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

PRIOR OWNERSHIP

CURRENT OWNERSHIP

March 2010: ACAC (n/k/a NGHC) purchases GMAC Insurance

July 2011: Renewal Rights to American Modern

September 2011: Acquisition of Agent Alliance

December 2011: Acquisition of ClearSide General

February 2012: Acquisition of VelaPoint / America's Health Care Plan (AHCP)

September 2012: Acquisition of TABS companies from the Coca Cola Bottlers Association

November 2012: Acquisition of National Health Insurance Company (NHIC)

2013: Form European life and non-life insurers

April 2013: Acquisition of Euro Accident

April 2014: Acquisition of Personal Express

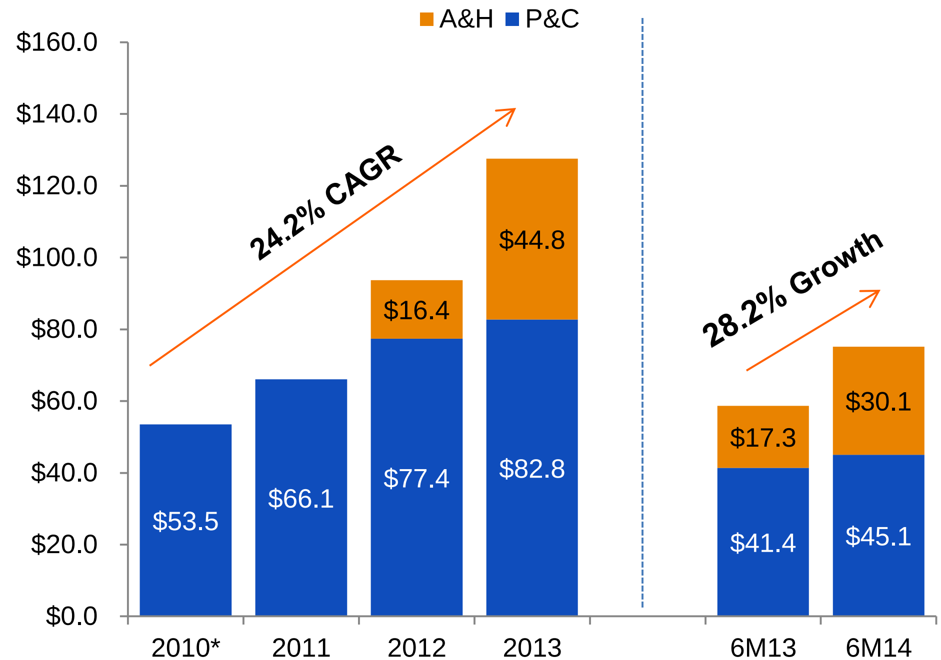
June 2014: Acquisition of Imperial

September 2014: Tower Group Personal Lines transaction

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 growth of our A&H segment, the addition of Imperial fee income, and the addition of management fees for the reciprocal exchanges from the Tower Personal Lines transaction (closed on September 15, 2014).
- *Sources of Fee Income include:*
  - We charge policy service fees (including fees for installment or renewal policies, 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 (P&C segment).
  - We collect service fees as commissions and general agent fees by selling policies issued by third-party insurance companies, on which we do not bear underwriting risk (both P&C and A&H segments).
  - We expect to generate fee income by charging a fee for managing the reciprocal exchanges which were included in the Tower Personal Lines transaction (P&C segment).

Service and Fee Revenue ($ in millions)

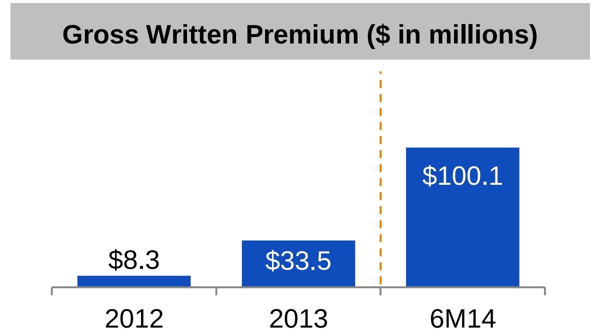


National General Holdings Corp.

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

A&H Expansion

- We believe the A&H segment presents a significant opportunity – following implementation of the Patient Protection and Affordable Care Act (PPACA) we expect substantial demand for supplemental products.
- We believe our combination of P&C and A&H distribution is a significant competitive advantage.
- We continue to look at potential acquisitions in the A&H space. The key acquisitions we have already completed in the segment are as follows:



VelaPoint	• Acquired in February 2012, VelaPoint is a general agency call center with ~50 licensed agents selling a full range of supplemental medical & individual major medical policies via state/federal exchanges and > 90 carrier relationships. • VelaPoint produced ~$74 mm of premium for third-parties in 2013. VelaPoint began selling NHIC accident and critical illness products in September 2013, and will be expanding state and product offerings throughout 2014. Once approvals are received, we expect a significant percentage of VelaPoint sales to be written by NHIC.
America's HealthCare Plan (AHCP)	• Acquired in February 2012, AHCP is a managing general agent/program manager. • AHCP works with > 8,000 independent agents/general agents across the U.S. to provide an array of insurance products, including those from third-party insurers, and will serve as a significant distributor for NHIC products.
The Associated Benefits Solutions (TABS)	• Acquired in September 2012 from the Coca-Cola Bottlers' Association, TABS administers specialty self-insurance arrangements, offering ERISA qualified self-insured plans to employers in affinity associations or trade groups and selling medical stop loss coverage to employers. • TABS wrote approximately $19 mm of stop loss premium in 2013, and we expect significant growth potential.
National Health Insurance Company (NHIC)	• Acquired in November 2012, NHIC is a TX-domiciled life/health insurer established in 1979 licensed in 48 states & DC. • We have filed and are receiving approvals for a significant number of our target A&H insurance products for individuals and groups. To date 690 of 950 initial product filings have been approved by various states.
EuroAccident	• Acquired in April 2013, EuroAccident is a Swedish group life and health insurance MGA. • EuroAccident produced ~$80 million in premiums in 2013 on behalf of third parties. On January 1, 2014, our European insurance subsidiary began reinsuring all business placed by EuroAccident; beginning April 1, 2014, all new and renewal policies began being underwritten by our European subsidiaries on our paper.

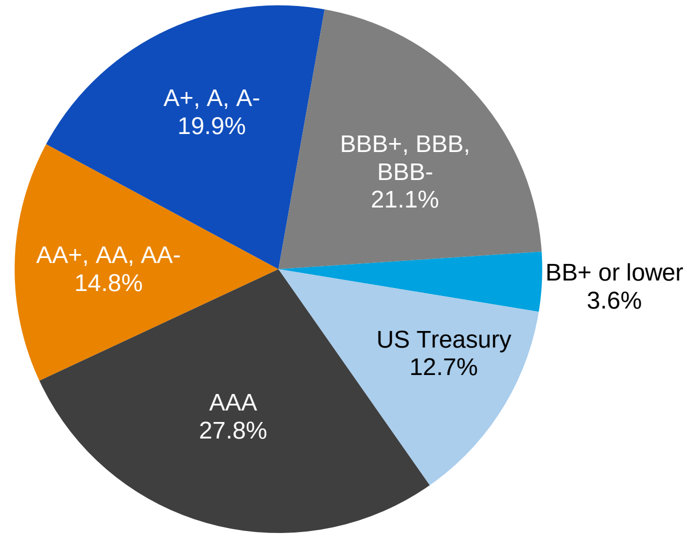
National General Holdings Corp.

Conservative Investment Portfolio

Composition by Asset Class ($ in millions) at June 30, 2014

	Fair Value 6/30/2014	% of Portfolio
Equities		
Preferred Stock	$4.9	0.3%
Common Stock	15.3	0.9%
Fixed Maturities		
Corporate Bonds	738.0	41.3%
Residential MBS	392.6	22.0%
U.S. Treasuries	191.9	10.7%
Municipal Bonds	154.8	8.7%
Commercial MBS	22.4	1.3%
Foreign Government	6.2	0.3%
Asset-Backed Other	1.0	0.1%
	1,527.1	85.5%
Other		
Equity in Unconsolidated Subs.	142.5	8.0%
Cash & Cash Equivalents	111.9	6.3%
Other Investments	3.5	0.2%
Short Term Investments	0.8	0.0%
Total Investment Portfolio	**$1,785.8**	**100.0%**

Fixed Income Composition by Ratings at June 30, 2014



Fixed Income Portfolio Key Statistics at June 30, 2014

Average Yield: 3.42%

Average Duration: 5.31 years

NOTE: Equity Investments in Unconsolidated Subsidiaries is predominantly our investment in Life Settlement Contracts.

National General Holdings Corp.

Loss Reserves *($ in millions)*

- We believe we have a reasonable and sufficient loss reserve position that is substantiated by the latest indicated actuarial reserve range, including approximately 47% of carried IBNR as of the most current year end valuation.
- Our reinsurance recoverable position is due from highly rated reinsurers (A- or better with the exception of the MCCA and NCRF, state run facilities which are not rated by A.M. Best).

Loss Reserve Overview	December 31, 2013	2012	2011
Gross Loss Reserves	$1,259.2	$1,286.5	$1,218.4
Reinsurance Recoverables	$950.8	$991.4	$920.7
Net Loss Reserves	$308.4	$295.1	$297.7
Net Case Reserves	$163.8	$165.6	$167.4
Net IBNR	$144.6	$129.5	$130.3
% IBNR	46.9%	43.9%	43.8%
Favorable/(Unfavorable) Development	($6.1)	($1.3)	$21.9
Development as a % of Net Reserves	(2.0)%	(0.4)%	7.4 %

Reinsurance Recoverables	2013 Recoverable	% of Total	A.M. Best Rating
Michigan Catastrophic Claims Association (MCCA)	$694.9	73.1%	NA
Maiden Insurance Company	$88.1	9.3%	A -
North Carolina Reinsurance Facility (NCRF)	$74.9	7.9%	NA
ACP Re	$52.8	5.6%	A -
Technology Insurance (AmTrust Financial subsidiary)	$35.2	3.7%	A
Other Reinsurers	$4.9	0.5%	NA
Reinsurance Recoverables Total	**$950.8**	**100.0%**	

Actuarial Net Loss Reserve Range at 12/31/2013

High: $333.2

Carried: $308.4

Midpoint: $305.5

Low: $277.8

NOTE: As per disclosure included in our 2013 10-K, as of December 31, 2013, ACP Re and Maiden Insurance had provided collateral in the amounts of $58.0 million and $104.8 million, respectively, related to their outstanding reinsurance recoverable balances.

National General Holdings Corp.

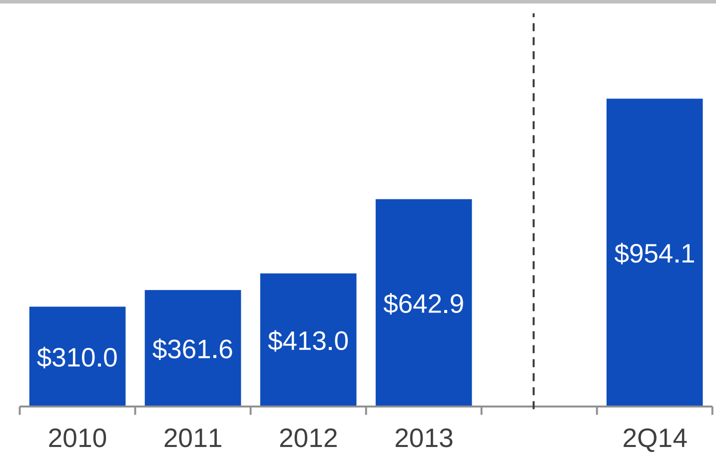
Capital Position

- Shareholders equity as of June 30, 2014 includes:
  - $178.5 million of net proceeds from our February 2014 144A Private Placement.
  - $55.0 million of Series A Non-Cumulative Preferred Stock issued June 2014.
- On May 23, 2014, we announced the closing of a private placement of $250 mm of 6.75% senior notes due on May 15, 2024.
- On May 30, 2014, we replaced our previous $90 mm line of credit with a new $135 mm facility.
- On June 25, 2014, we closed an offering of $55 million of 7.50% Series A Non-Cumulative Preferred Stock redeemable on or after July 15, 2019.
- On August 20, 2014, we filed a registration statement for up to $100 million of Series B Non-Cumulative Preferred Stock.
- We expect to be able to write business with operating leverage of up to approximately 1.8x total capital.

Capital Position as of 6/30/2014 ($ in millions)

Shareholders' Equity	**$954.1**
Debt	$259.1
Total Capital	**$1,213.2**
Undrawn Line of Credit	$135.0
Total Available Capital	$1,348.2
Debt to Equity Ratio	**27.2%**
Debt to Total Capital Ratio	**21.4%**

Shareholders' Equity ($ in millions)



National General Holdings Corp.

The Bottom Line: Strong Profitability

We target a medium-term ROE of at least 15% across market cycles

Near Term Earnings Drivers	Timeframe
Completion of premium cessions under third party quota share treaty	Completed August 2014
Tower Personal Lines cut-through reinsurance agreement	January 1, 2014 – September 15, 2014
Integration of Tower Personal Lines transaction	After Closing (September 2014)
Addition of fee income for managing Reciprocal Exchanges	After Closing (September 2014)
Real estate cost savings	Throughout 2H2014 & 2015
Legacy system retirement	Early 2014
Integration of Imperial transaction	Beginning June 2014
Increased A&H scale	Throughout 2014/2015
Increased investment income from recent capital raising activities	Throughout 2014

Illustrative ROE Calculation*	
Combined Ratio (92%-94%)	92%
Underwriting Profit	8%
Operating Leverage (NPE/Average Total Capital)	1.8x
ROE from Underwriting	**14.4%**
Investment Yield	3.5%
Investment Leverage (Cash & Investments/Equity)	2.0x
ROE from Investing	**7.0%**
Pre-Tax ROE	21.4%
Effective Tax Rate	28.0%
ROE to Common Shareholders	**15.4%**

National General Holdings Corp.

**Illustrative example only; not based on actual results.*

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 –** through continued selective acquisitions, the integration of a homeowners product offering, a reduction in our reliance on reinsurance, further expansion of A&H lines, and additional technology-driven product offerings, we expect to continue to produce strong top line growth.
- **Disciplined Expense Management –** driven by our new policy administration system, state of the art technology and an intense focus on expenses, we aim to produce peer-group leading expense ratios.
- **Focus on Acquisitions –** we expect the Tower Personal Lines and Imperial transactions to boost 2014 and 2015 results, and we will continue to look at opportunistic M&A as a way to build our company.
- **A&H Opportunity –** post-PPACA implementation, we expect significant demand for supplemental products, and we believe our combination of P&C and A&H distribution is a substantial competitive advantage.
- **Experienced Management Team –** our senior management team has extensive experience in insurance and financial services, with a track record of delivering shareholder value (as demonstrated through previous public and non-public companies).
- **Strong Balance Sheet –** our balance sheet is well positioned with a conservative investment portfolio, a solid capital position, and adequate reserves.

We are targeting a medium-term ROE of at least 15% across market cycles

Companies and Partners of National General

CLEARSIDE General

VELAPOINT personal insurance

EURO ACCIDENT

IMPERIAL FIRE & CASUALTY INSURANCE COMPANY

N H I C National Health Insurance Company

NATIONAL AUTOMOTIVE INSURANCE COMPANY

TOWER GROUP PERSONAL LINES

National General
Auto, Home & Health Insurance

ABC Insurance Agencies
A Better Choice for Insurance

RAC INSURANCE PARTNERS LLC

personalexpress INSURANCE

Good Sam Insurance Agency

"SERVICE WITH A SMILE" NATIONAL RURAL LETTER CARRIERS' ASSOCIATION 1903

TABS The Association Benefits Solution
A unit of National General Insurance

AHCP America's Health Care Plan

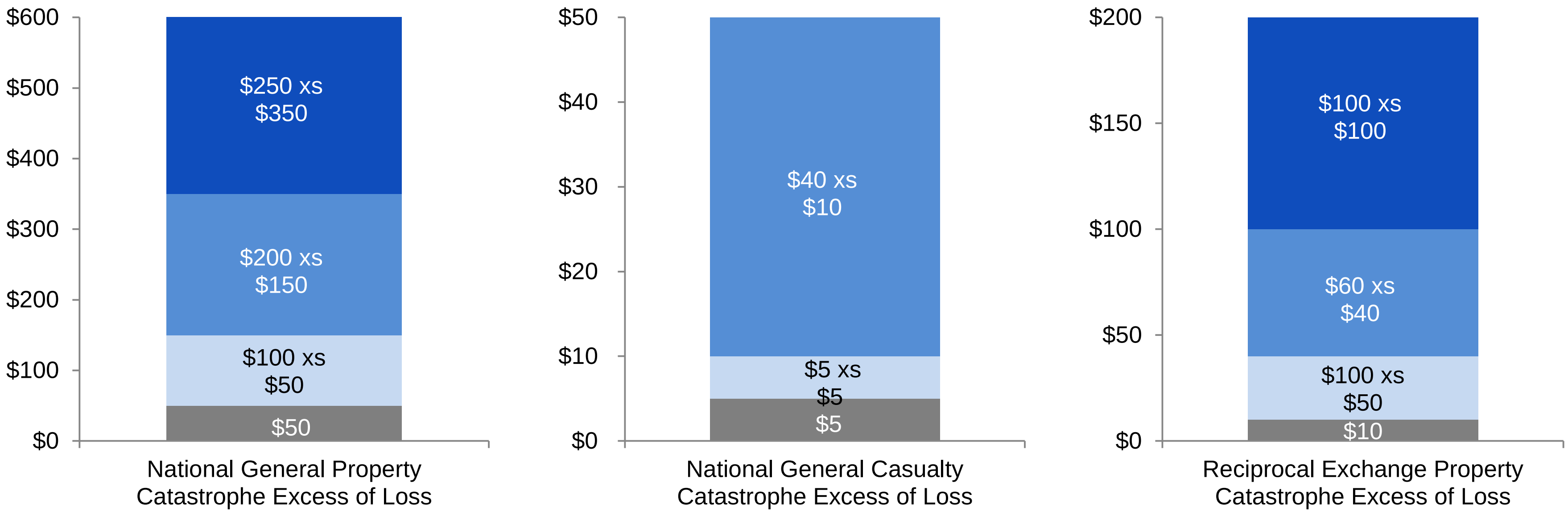
GM FAMILY FIRST

Appendix:
Supplementary Information

Catastrophe Reinsurance

We completed a sizable reinsurance placement which went into effect as of July 1, 2014 that we believe will conservatively protect our capital position in the case of a catastrophic event.

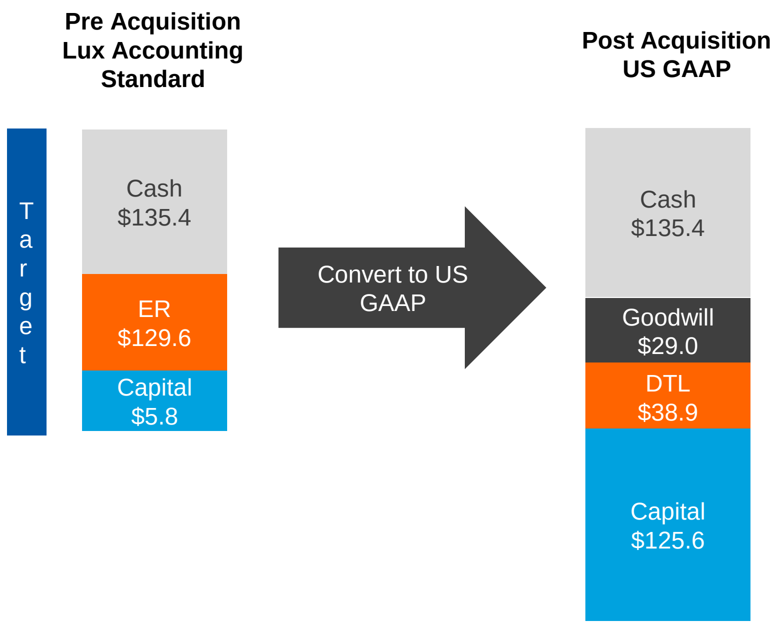
- Our property catastrophe program provides $550 million of coverage in excess of a $50 million per event retention, with one reinstatement. We believe that our property catastrophe reinsurance program provides coverage for greater than a 1-in-150 year event.
- Our casualty catastrophe program provides $45 million of coverage in excess of a $5 million retention.
- The property catastrophe program for the Reciprocal Exchanges provides $190 million of coverage in excess of a $10 million per event retention, with one reinstatement.
- The following charts depict our various catastrophe reinsurance programs ($ in millions):



Luxembourg Reinsurance Companies

- We have purchased three Luxembourg Reinsurance Companies (LRC) since 2012. Purchasing an LRC is not unique to NGHC.

- **Transaction example**: Capgemini Reinsurance Company S.A. (renamed NGHC Lux Re I) acquired for $125.6 million in August 2012. The acquired company was a reinsurer with no liabilities, $135.4 million in cash, $5.8 million in capital and $129.6 million in equalization reserves.



- From an accounting standpoint, the treatment of LRCs strictly adheres to GAAP accounting rules. LRC's are sold at a discount in order to limit seller's taxes, and include equalization reserves which are best described as equivalent to redundant reserves. Equalization reserves are released through intercompany reinsurance agreements approved by Luxembourg authorities, and the release of redundant reserves allows for the recognition of the discounted value of the business purchased. There is no impact on the loss ratio from intercompany reinsurance agreements.

- We establish a deferred tax liability (DTL) equal to approximately 30% of the unutilized statutory equalization reserves carried at LRCs. The DTL is adjusted each reporting period based primarily on amounts ceded to the LRC under intercompany reinsurance agreements. As the income or loss of the LRC is primarily from intercompany activity, the impact on the overall pre-tax income for the consolidated group is generally zero. The reduction of the DTL for the utilization of equalization reserves creates a deferred tax benefit reflected in the income tax provision line on the income statement, which correspondingly reduces our effective tax rate.

- For the six months ended June 30, 2014 and 2013 , we reduced our DTL relating to equalization reserves by $12.7 million and $1.4 million, respectively. This reduction lowered our effective tax rate by 19.3% and 4.6% for the six months ended June 30, 2014 and 2013, respectively. As of June 30, 2014, the deferred tax liability related to the LRCs was $48.9 million.

- As of June 30, 2014, approximately $41.7 million of our goodwill balance was related to LRC subsidiaries. Goodwill and intangible assets are subject to annual impairment testing or on an interim basis whenever events or changes in circumstances indicate that the carrying value of a reporting unit may not be recoverable.

Life Settlement Contracts (LSC)

- A life settlement contract (LSC) is a contract between the owner of a life insurance policy and a third party who obtains the ownership and beneficiary rights of the underlying life insurance policy.
- As of June 30, 2014, we have a 50% ownership interest in four LSC Entities (Tiger, AMT Alpha, AMTCH and AMTCH II) that hold certain life settlement contracts. The LSC entities currently hold 288 policies with a face value of $1.8 billion as of June 30, 2014. The fair value of the contracts owned by the LSC Entities is $276.2 million; our proportionate interest is $138.1 million.
- The following tables summarize data utilized in estimating the fair value of the portfolio of life insurance policies as of June 30, 2014 as well as the sensitivity of the fair value given an increase/decrease in the life expectancy pertaining to the underlying policies or the discount rate used to determine the fair value of the policies:

($ in thousands)	June 30, 2014
Average age of insured	80.8 years
Average life expectancy, months(5)	124
Average face amount per policy	$6,586
Effective discount rate(6)	14.1%

($ in thousands)	Change in life expectancy	
	Plus 4 Months	Minus 4 Months
Investment in life policies:		
June 30, 2014	($34,813)	$36,860
	Change in discount rate(7)	
	Plus 1%	Minus 1%
Investment in life policies:		
June 30, 2014	($23,198)	$26,095

NOTE: *For footnotes 5-7, please see Additional Disclosures slide on page 39 of this presentation. See also the additional risk factors and disclosures set forth in our public filings.*

National General Holdings Corp.

Tower Personal Lines Transaction

- On January 6, 2014 we announced an agreement to acquire renewal rights and certain assets of the personal lines insurance operations of Tower, in connection with an agreement simultaneously entered into by ACP Re Ltd. to acquire Tower Group International Ltd. (TWGP).
- Simultaneously with this agreement, we entered into a 100% quota share reinsurance agreement with a cut-through endorsement (the "Cut-Through Reinsurance Agreement") on most of Tower's in-force personal lines policies and on new and renewal personal lines business, which was effective as of January 1, 2014. We have assumed 100% of Tower's unearned premium reserves with respect to in-force personal lines policies, net of reinsurance already in effect. We will pay a 20% ceding commission with respect to unearned premium assumed and a 22% ceding commission with respect to new and renewal business after January 1, 2014 and up to a 4% claims handling expense reimbursement to Tower on all Tower premium subject to the Cut-Through Reinsurance Agreement. The economic impact of this Cut-Through Reinsurance Agreement is reflected in our first and second quarter 2014 results.
- On April 14, 2014, we announced a modification to the structure of the Tower Group International Personal Lines transaction with ACP Re.
- On July 24, 2014, we announced an additional modification to the structure of the Tower Group International Personal Lines transaction with ACP Re.
- The transaction closed on September 15, 2014.

<u>NGHC Receives from ACP Re</u>:

- Renewal rights of Tower Personal Lines Insurance Operations
- Attorney-in-Facts that manage the Reciprocal Exchanges (for $7.5 million in cash)
- A 7-year $125 million note bearing interest at 7%
- Full backstop (Retrocession) of up to $125 million of our stop loss reinsurance of the Tower book, for which we will pay $28 million less a 5.5% ($1.5 million) fee, payable 5 years after closing

<u>ACP Re Receives from NGHC</u>:

- $125 million loan, in the form of a 7-year note bearing interest at 7%
- $125 million of stop loss reinsurance, for which ACP Re will pay NGHC $28 million, payable 5 years after closing
- $7.5 million in cash for the Attorney-in-Facts that manage the Reciprocal Exchanges
- Ceding commission of 2% on business written on Tower paper
- An earnout fee of 3% of GWP payable for a three year period following closing, capped at $30 million total

Tower Personal Lines Historical Results *($ in millions)*

	2013			2012			2011		
	Tower	Reciprocal Exchanges	Total	Tower	Reciprocal Exchanges	Total	Tower	Reciprocal Exchanges	Total
Gross Premiums Written*	$433.1	$223.0	$656.1	$460.8	$215.4	$676.2	$380.6	$209.3	$589.9
Net Premiums Written	**$238.6**	**$159.8**	**$398.4**	**$356.8**	**$157.0**	**$513.8**	**$316.9**	**$169.4**	**$486.3**
Net Premiums Earned	$303.4	$161.4	$464.8	$333.6	$163.7	$497.3	$318.8	$187.2	$505.9
Loss Ratio	58.6%	71.3%	63.0%	72.5%	66.7%	70.6%	67.2%	55.8%	63.0%
Expense Ratio	39.4%	44.8%	41.3%	36.9%	44.8%	39.5%	36.3%	41.3%	38.2%
Combined Ratio	**98.0%**	**116.1%**	**104.3%**	**109.4%**	**111.5%**	**110.1%**	**103.5%**	**97.1%**	**101.2%**
Favorable/(Unfavorable) Prior Year Development	$1.4	($5.1)	($3.7)	($4.0)	$8.9	$4.9	$29.1	$37.8	$66.9
Points on the Combined Ratio	0.5%	-3.2%	-0.8%	-1.2%	5.4%	1.0%	9.1%	20.2%	13.2%
Catastrophe Losses **	-	-	-	$42.8	$9.0	$51.8	$42.8	$6.5	$49.3
Points on the Combined Ratio	-	-	-	12.8%	5.5%	10.4%	13.4%	3.5%	9.7%
Ex-Cat Current AY Combined Ratio	**98.5%**	**112.9%**	**103.5%**	**95.4%**	**111.4%**	**100.7%**	**99.2%**	**113.8%**	**104.7%**

NOTES:

Tower acquired OneBeacon's Personal Lines business in July 2010.

Data taken from Tower Group International 10-K filings for the years ended 2013, 2012, and 2011.

* Gross Premiums Written for Tower include homeowners and umbrella as well as personal auto product lines.

** 2012 catastrophe losses relate to Superstorm Sandy and other severe storms; 2011 catastrophe losses relate to Hurricane Irene and other severe weather events.

Appendix:
Financial Information

Summary Income Statement *($ in thousands)*

	2011	2012	2013	1Q14	2Q14	2014 YTD
Revenues:						
Gross written premium	$1,178,891	$1,351,925	$1,338,755	$646,142	$468,473	$1,114,615
Net written premium	538,236	632,494	679,316	567,485	418,556	986,041
Net earned premium	498,210	574,252	688,066	357,852	391,466	749,318
Ceding commission income	77,475	89,360	87,100	5,370	1,557	6,927
Service, fees, and other income	66,116	93,739	127,541	36,706	38,486	75,192
Net investment income	28,355	30,550	30,808	9,214	11,321	20,535
Net realized gain/(loss) on investments	4,775	16,612	1,200	0	0	0
Other than temporary impairment losses	0	0	(2,869)	0	0	0
Other revenue	0	3,728	16	7	100	107
Total revenues	**674,931**	**808,241**	**931,862**	**409,149**	**442,930**	**852,079**
Expenses:						
Loss and loss adjustment expense	340,152	402,686	462,124	225,347	255,604	480,951
Acquisition and other underwriting costs	75,191	110,771	134,887	74,373	74,418	148,791
General and administrative	208,939	246,644	280,552	76,199	77,059	153,258
Interest expense	1,994	1,787	2,042	593	2,519	3,112
Total expenses	**626,276**	**761,888**	**879,605**	**376,512**	**409,600**	**786,112**
Pre-Tax Income	48,655	46,353	52,257	32,637	33,330	65,967
Provision for income taxes	28,301	12,309	11,140	7,336	424	7,760
Equity in earnings (loss) of unconsolidated subsidaries	23,760	(1,338)	1,274	1,123	(2,610)	(1,487)
Net income	44,114	32,706	42,391	26,424	30,296	56,720
Less: Net income attributable to Non Controlling Interest	14	0	82	32	(38)	(6)
Net income attributable to NGHC	**$44,100**	**$32,706**	**$42,309**	**$26,392**	**$30,334**	**$56,726**
Operating Earnings (1)		$26,698	$46,821	$27,751	$33,811	$61,561
Loss Ratio (2)	68.3%	70.1%	67.2%	63.0%	65.3%	64.2%
Expense Ratio (3)	28.2%	30.4%	29.2%	30.3%	28.5%	29.4%
Combined Ratio (4)	**96.5%**	**100.5%**	**96.3%**	**93.3%**	**93.8%**	**93.5%**

Note: Loss and loss adjustment expense ratio and operating expense ratio may not sum to combined ratio due to rounding. For footnotes 1-4, please see Additional Disclosures slide on page 39 of this presentation.

National General Holdings Corp.

Balance Sheet Highlights *($ in thousands)*

	2011	2012	2013	June 30, 2014
Assets				
Cash and investments	$961,428	$991,865	$1,116,707	$1,785,765
Premiums and other receivables, net	387,558	450,140	449,252	658,961
Deferred acquisition costs	57,719	60,234	60,112	114,735
Reinsurance recoverable on unpaid losses	920,719	991,447	950,828	904,403
Prepaid reinsurance premiums	73,751	54,495	50,878	69,070
Premises and equipment, net	21,371	30,712	29,535	34,045
Goodwill & Intangible assets	77,433	112,935	156,915	181,208
Other assets	24,912	21,495	23,288	30,244
Total Assets	**$2,524,891**	**$2,713,323**	**$2,837,515**	**$3,778,431**
Liabilities				
Unpaid loss and loss adjustment expense reserves	$1,218,412	$1,286,533	$1,259,241	$1,386,111
Unearned premiums & other service revenue	454,397	196,169	476,232	751,322
Reinsurance & accounts payable	113,209	196,169	184,677	282,992
Securities under repurchase	74,026	86,744	109,629	60,097
Notes payable	85,550	70,114	81,142	259,113
Other Liabilities	217,701	464,552	83,727	84,668
Total Liabilities	**$2,163,295**	**$2,300,281**	**$2,194,648**	**$2,824,303**
Stockholders' Equity	**$361,596**	**$413,042**	**$642,867**	**$954,128**
Total Liabilities and Stockholders' Equity	**$2,524,891**	**$2,713,323**	**$2,837,515**	**$3,778,431**

National General Holdings Corp.

Non-GAAP Reconciliation *($ in thousands)*

	2012	2013	1Q14	2Q14	2014 YTD
Net income attributable to NGHC	**$32,706**	**$42,309**	**$26,392**	**$30,334**	**$56,726**
Add (subtract) net of tax:					
Net realized gain (loss) on investments	(10,798)	(780)	0	0	0
Other than temporary impairment losses	0	1,865	0	0	0
Equity in (earnings)/losses of unconsolidated subsidiaries	870	(828)	(730)	1,697	967
Non cash amortization of certain intangible assets	3,920	4,173	2,088	1,780	3,868
Operating earnings attributable to NGHC	**$26,698**	**$46,739**	**$27,751**	**$33,811**	**$61,561**
Operating earnings per common share:					
Basic operating earnings per common share	$0.59	$0.72	$0.32	$0.36	$0.69
Diluted operating earnings per common share	$0.46	$0.65	$0.32	$0.36	$0.68

Non-GAAP Financial Measures

References to operating earnings and basic and diluted operating EPS are Non-GAAP financial measures defined by the Company as net income and basic earnings per share excluding after-tax net realized investment gain or loss on securities, equity in earnings (losses) of unconsolidated subsidiaries, and non-cash amortization of certain intangible assets.

Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain the Company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with U.S. generally accepted accounting principles.

Segment Performance: Quarterly *($ in thousands)*

	Three Months Ended June 30,					
	2014			2013		
	P&C	A&H	Total	P&C	A&H	Total
Gross written premium	$407,863	$60,610	$468,473	$321,438	$9,251	$330,689
Net written premium	358,096	60,460	418,556	137,823	9,181	147,004
Net earned premium	361,623	29,843	391,466	145,369	9,181	154,550
Ceding commission income (primarily related parties)	1,557	0	1,557	24,735	0	24,735
Service, fees, and other income	23,389	15,097	38,486	20,363	11,043	31,406
Total underwriting revenue	**$386,569**	**$44,940**	**$431,509**	**$190,467**	**$20,224**	**$210,691**
Loss and loss adjustment expense	$231,008	$24,596	$255,604	$93,205	$5,464	$98,669
Acquisition costs and other	61,440	12,978	74,418	25,505	6,717	32,222
General and administrative	64,715	12,344	77,059	61,620	6,792	68,412
Total underwriting expenses	**$357,163**	**$49,918**	**$407,081**	**$180,330**	**$18,973**	**$199,303**
Underwriting income (loss)	**$29,406**	**($4,978)**	**$24,428**	**$10,137**	**$1,251**	**$11,388**
Underwriting ratios						
Loss Ratio (2)	63.9%	82.4%	65.3%	64.1%	59.5%	63.8%
Expense Ratio (3)	28.0%	34.3%	28.5%	28.9%	26.9%	28.8%
Combined Ratio (4)	**91.9%**	**116.7%**	**93.8%**	**93.0%**	**86.4%**	**92.6%**

Note: Loss and loss adjustment expense ratio and operating expense ratio may not sum to combined ratio due to rounding.

Segment Performance: Year-to-Date *($ in thousands)*

	Six Months Ended June 30,					
	2014			2013		
	P&C	A&H	Total	P&C	A&H	Total
Gross written premium	$1,014,471	$100,144	$1,114,615	$671,736	$16,566	$688,302
Net written premium	886,094	99,947	986,041	303,029	16,491	319,520
Net earned premium	688,842	60,476	749,318	290,216	16,490	306,706
Ceding commission income (primarily related parties)	6,927	0	6,927	49,992	0	49,992
Service, fees, and other income	45,062	30,130	75,192	41,413	17,255	58,668
Total underwriting revenue	**$740,831**	**$90,606**	**$831,437**	**$381,621**	**$33,745**	**$415,366**
Loss and loss adjustment expense	$440,438	$40,513	$480,951	$189,178	$12,693	$201,871
Acquisition costs and other	117,213	31,578	148,791	51,186	11,246	62,432
General and administrative	128,236	25,022	153,258	125,445	9,776	135,221
Total underwriting expenses	**$685,887**	**$97,113**	**$783,000**	**$365,809**	**$33,715**	**$399,524**
Underwriting income (loss)	**$54,944**	**($6,507)**	**$48,437**	**$15,812**	**$30**	**$15,842**
Underwriting ratios						
Loss Ratio (2)	63.9%	67.0%	64.2%	65.2%	77.0%	65.8%
Expense Ratio (3)	28.1%	43.8%	29.4%	29.4%	22.8%	29.0%
Combined Ratio (4)	**92.0%**	**110.8%**	**93.5%**	**94.6%**	**99.8%**	**94.8%**

Note: Loss and loss adjustment expense ratio and operating expense ratio may not sum to combined ratio due to rounding.

Additional Disclosures

(1) References to operating earnings and basic and diluted operating EPS are Non-GAAP financial measures defined by the Company as net income and basic earnings per share excluding after-tax net realized investment gain or loss on securities, equity in earnings (losses) of unconsolidated subsidiaries, and non-cash amortization of certain intangible assets. Please see the Non-GAAP Financial Measures slide in this presentation for important information about the use of these Non-GAAP measures and their reconciliation to GAAP.

(2) Calculated by dividing net loss and loss adjustment expenses by net premiums earned.

(3) Calculated by dividing general and administrative expenses plus acquisitions costs and other expenses less service, fees, and other income less ceding commission income by net premiums earned.

(4) Calculated by adding together loss and loss expense ratio and net expense ratio.

(5) Standard life expectancy as adjusted for specific circumstances.

(6) Effective Discount Rate ("EDR") is the LSC Entities estimated internal rate of return on its life settlement contract portfolio and is determined from the gross expected cash flows and valuation of the portfolio. The valuation of the portfolio is calculated net of all reserves using a 7.5% discount rate. The EDR is implicit of the reserves and the gross expected cash flows of the portfolio. The LSC Entities anticipate that the EDR's range is between 12.5% and 17.5% and reflects the uncertainty that exists surrounding the information available as of the reporting date. As the accuracy and reliability of information improves (declines), the EDR will decrease (increase).

(7) Discount rate is a present value calculation that considers legal risk, credit risk and is a component of EDR.