



Investor Presentation
Third Quarter 2015

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.

Table of Contents

National General Holdings Corp. (NGHC).....	3
Relationships with Affiliates.....	4
National General Overview	5
Property & Casualty Overview.....	6
Property & Casualty Products.....	7
Accident & Health Overview.....	8
Accident & Health Products.....	9
Accident & Health Expansion.....	10
The National General Advantage.....	11
Management Team	12
Technology.....	13
Focus on Profitable Underwriting	14
Growth Through Strategic Acquisitions.....	15
Healthcare Solutions Team (HST).....	16
Assigned Risk Solutions (ARS).....	17
Assurant Health.....	18
QBE Lender-Placed Insurance (LPI).....	19
Fee Income	20
Conservative Investment Portfolio	21
Loss Reserves	22
Capital Position	23
The Bottom Line: Strong Profitability.....	24
NGHC: Investment Opportunity	25
Companies and Partners.....	26

Appendix – Supplementary Information

Liquidity & Ownership.....	28
Catastrophe Reinsurance.....	29
Luxembourg Reinsurance Companies	30
Life Settlement Contracts (LSC)	31
Tower Personal Lines.....	32
Tower Personal Lines Historical Results.....	33
Tower Personal Lines Transaction.....	34
Imperial.....	35

Appendix – Financial Information

Summary Income Statement	37
Balance Sheet Highlights	38
Segment Performance: Quarterly	39
Segment Performance: Year-to-Date.....	40
Non-GAAP Reconciliation	41
Additional Disclosures	42

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	\$21.60 (as of close of trading on November 5, 2015)
Shares Outstanding	105.4 million / 47.5 million public float (as of September 30, 2015)
Market Capitalization	\$2.3 billion
Dividend & Yield	\$0.03 per share quarterly / \$0.12 per share annually (0.6% annual dividend yield)
Average Daily Volume	438,738 shares (3 month average daily volume as of November 5, 2015)
Fully Diluted Book Value Per Share	\$12.06 (September 30, 2015)
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
Analyst Coverage	<ul style="list-style-type: none"> ▪ <i>Randy Binner</i> – FBR Capital Markets & Co. ▪ <i>Matthew Carletti</i> – JMP Securities ▪ <i>Adam Klauber, CFA</i> – William Blair & Company, L.L.C.
Company Contacts	<ul style="list-style-type: none"> ▪ <i>Mike Weiner, CFA</i> – Chief Financial Officer, (212) 380-9492, Mike.Weiner@NGIC.com ▪ <i>Dean Evans</i> – Director of Investor Relations, (212) 380-9462, Dean.Evans@NGIC.com

Relationships with Affiliates

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



- NASDAQ: NGHC
- \$2.3 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 43.3% of NGHC
 - AFSI has additional 11.7% common ownership of NGHC



- NASDAQ: AFSI
- \$5.6 billion market cap
- Commercial Lines P&C holding company
- Karfunkel Family ownership 51.4%
- AFSI provides NGHC:
 - IT systems development for a fee
 - Asset management for a fee



- NASDAQ: MHL
- \$1.2 billion market cap
- Reinsurance company focused on non-cat lines
- Karfunkel Family ownership 20.3%

ACP Re, Ltd.

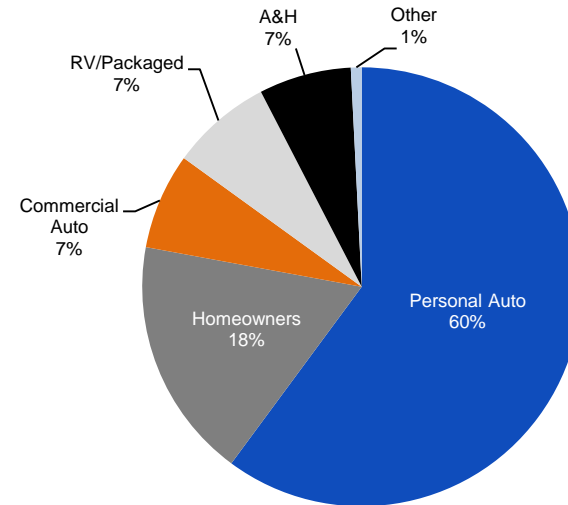
- Privately owned by Karfunkel Family
- Bermuda based Reinsurance company
- Acquirer of TWGP legacy business

National General Overview

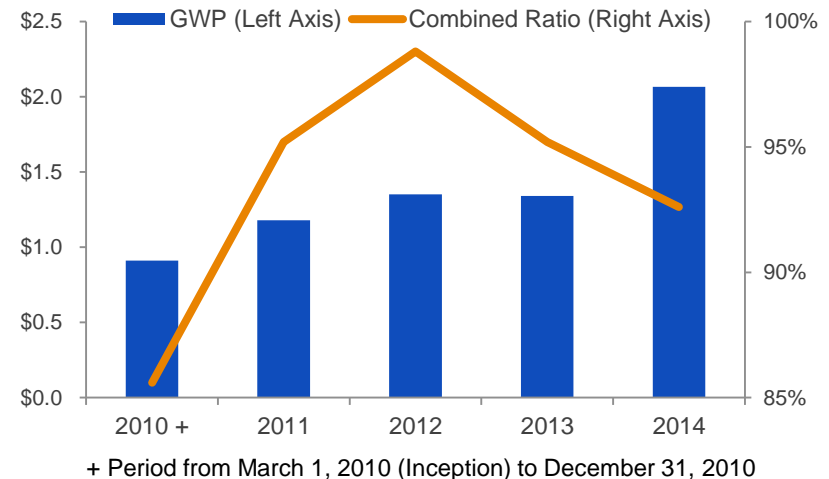
We are a personal lines insurer that is a top 20 writer of U.S. personal auto insurance, added a complementary homeowners book in 2014, and in recent years began building an A&H business from the ground up.

- \$2.1 billion of 2014 GWP / >\$2.5 billion managed premium
- \$1.52 billion of shareholders' equity and \$1.87 billion total capital at September 30, 2015
- "A-" rating from A.M. Best
- ~3,300 employees (~5,000 pro forma for all recent acquisitions)
- More than 1.6 million customers
- Approximately 24,000 independent agents & brokers
- We were built through a combination of organic growth and opportunistic acquisitions, and expect to continue to grow through accretive M&A opportunities. Recent M&A transactions include:
 - *Imperial* – closed June 26, 2014
 - *Tower Personal Lines* – closed September 15, 2014
 - *Healthcare Solutions Team (HST)* – closed January 26, 2015
 - *Assigned Risk Solutions (ARS)* – closed April 1, 2015
 - *Assurant Health* – closed October 1, 2015
 - *QBE Lender-Placed Insurance* – closed October 1, 2015
- We operate in two distinct business segments:
Property & Casualty and Accident & Health

2014 Pro Forma Product Mix*



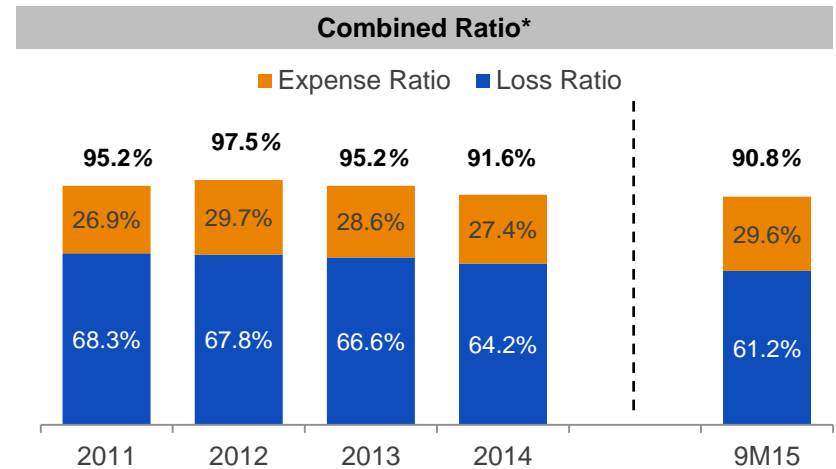
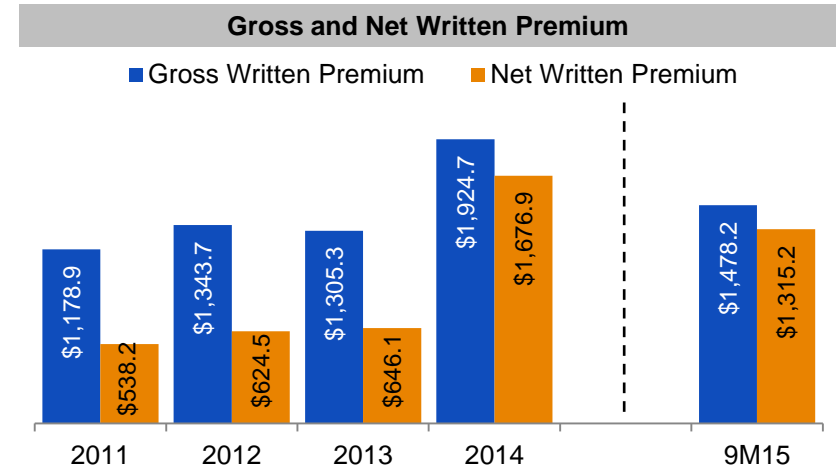
2010-2014 GWP (\$ in billions) & Combined Ratio



* **NOTE:** Pro Forma Business Mix includes Tower Personal Lines 2014 GWP and managed premium of ~\$619 million and Imperial 2014 GWP and managed premium of ~\$200 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 Overview

- **History:** GMAC formed Motors Insurance Corporation in 1939, GMAC Insurance acquired by National General in 2010
- **Premium Volume:** \$1.9 billion of GWP in 2014 with total managed premium of ~\$2.2 billion
- **Geography:** We are licensed to operate in 50 states and the District of Columbia; we believe that our broad geographic and product mix helps to limit our exposure to catastrophic events.
- **Distribution:** Through more than 19,000 independent agents and brokers, our own MGAs (Clearside General, RAC Insurance Partners, and Assigned Risk Solutions), and direct through numerous long-term affinity relationships.
- **Business Detail:** We underwrite various P&C products including: non-standard, standard, and preferred auto; homeowners, umbrella, and package; recreational vehicle; motorcycle; and commercial auto. Additionally, we also offer federal flood policies, which are not written on National General paper.

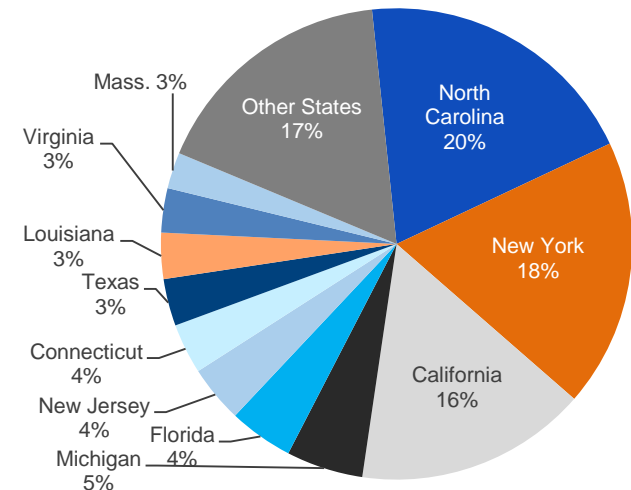
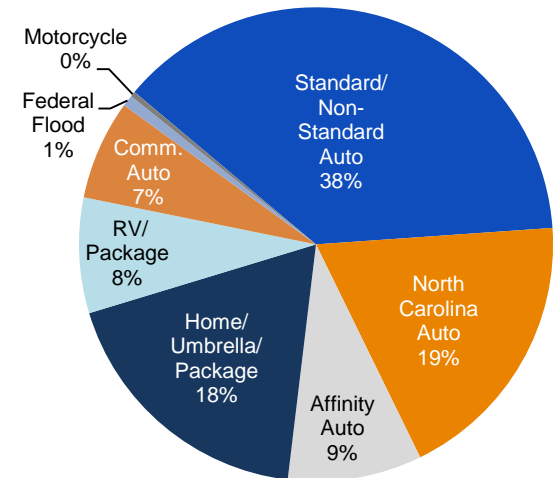


* NOTE: Expense Ratio and Combined Ratio exclude the impact of non-cash amortization of intangible assets and impairment of goodwill.

Property & Casualty Products

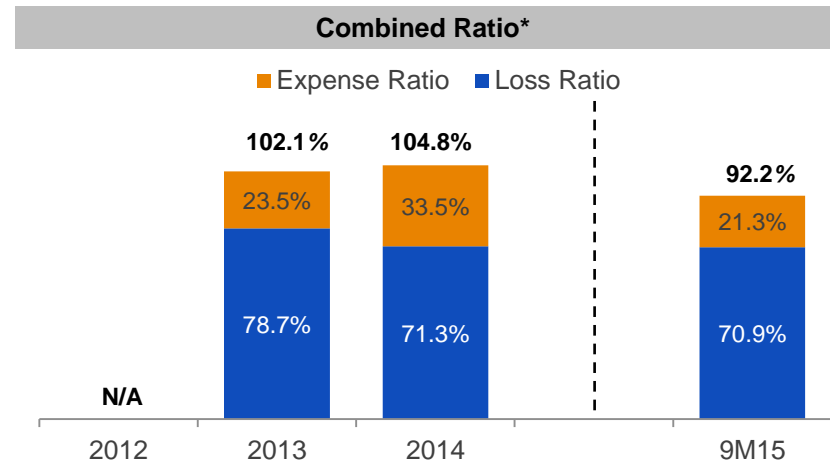
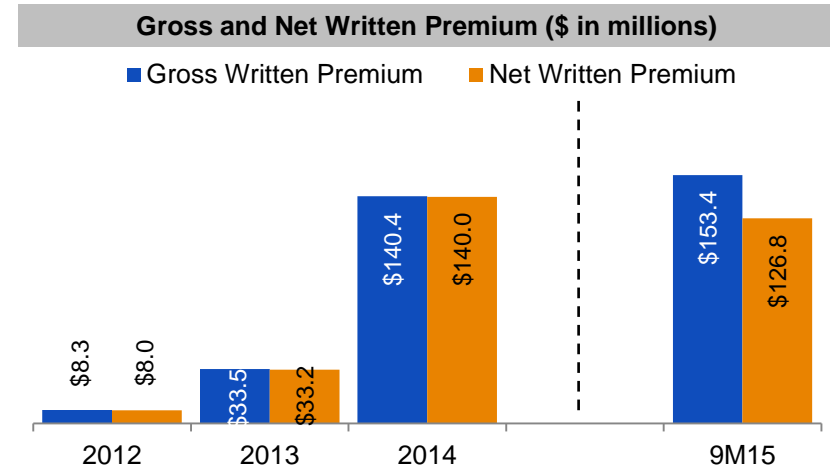
- **Standard/Non-Standard Auto** – We write coverage for liability and physical damage for standard, preferred, and non-standard risks throughout the U.S.
- **North Carolina Auto** – We are a top writer of personal auto in North Carolina, which has a unique “take all comers” market supported by the North 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 coverage for employees and extended families of General Motors and their subsidiaries through the GM Family First program, insurance for the National Rural Letter Carriers’ Association, a 109 year-old labor union representing over 100,000 American rural letter carriers, and pay-per-mile insurance written through our Metromile/UberX partnership.
- **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.
- **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.
- **Commercial 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.
- **Federal Flood** – We offer Federal Flood policies on behalf of the National Flood Insurance Program (NFIP), which are not written on National General paper.
- **Motorcycle** – We provide coverage for most types of motorcycles, as well as golf carts and all-terrain vehicles.

\$1.9 billion P&C Segment 2014 Pro Forma GWP



Accident & Health Overview

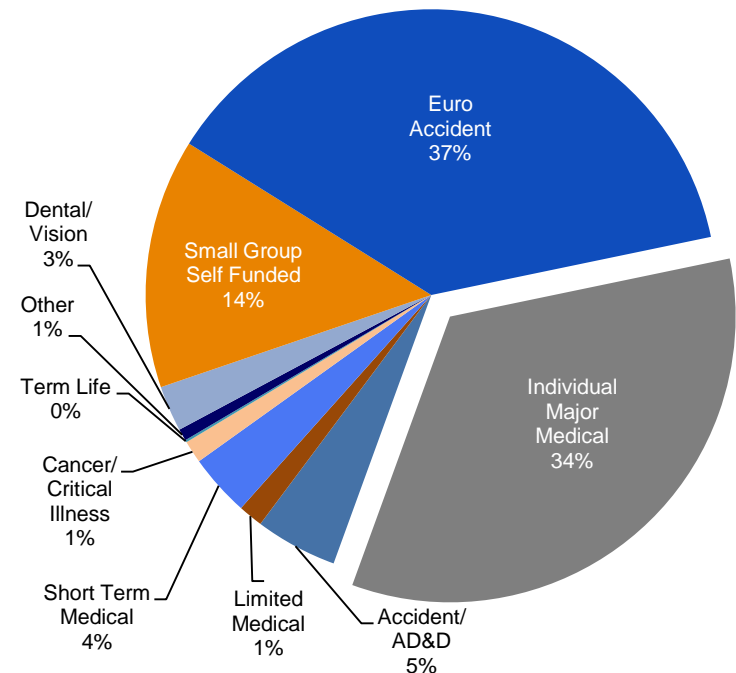
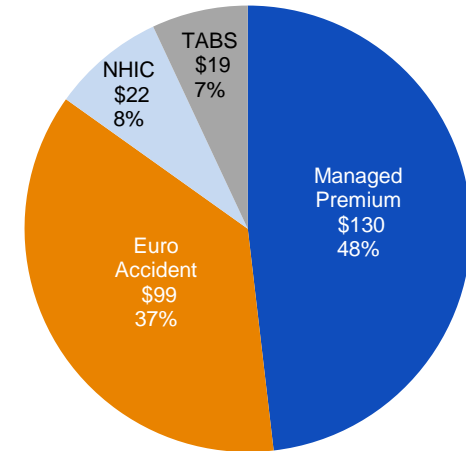
- **History:** Entered in 2012
- **Premium Volume:** \$140 million of GWP in 2014, with total managed premium of ~\$270 million
- **Geography:** Operates in the U.S. and Europe
- **Business Detail:**
 - **U.S. Domestic** – Through various distribution sources, we provide niche supplemental and non-major 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), Managing General Agency (HST), Large 3rd Party General Agencies
 - **Products:** Accident/AD&D, Limited Medical/Hospital Indemnity, Short Term Medical, Cancer/Critical Illness, 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 throughout Europe. Business is written on NHIC paper effective April 1, 2014.



Accident & Health Products

- **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 throughout Europe.

A&H 2014 managed & GWP: \$270 million



* NOTE: Individual Major Medical business is not written on National General paper.

Accident & Health 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 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 medical & individual major medical policies via state/federal exchanges and third-party carriers. Produced ~\$130 mm of premium for third-parties in 2014. We expect a significant 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, and is a significant distributor of NHIC products.
The Association Benefits Solutions (TABS)	<ul style="list-style-type: none"> Acquired in September 2012. 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. Produced \$19.0 million of GWP in 2014.
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. Produced ~\$99 million in premiums in 2014. On January 1, 2014, National General began reinsuring all business placed by EuroAccident; beginning April 1, 2014, all new and renewal policies are underwritten on National General paper.
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. Produced ~\$130 mm of premium for third-parties in 2014. We expect a significant percentage of HST supplemental health product sales to be written on NHIC paper going forward.
Assurant Health	<ul style="list-style-type: none"> Announced on June 10, 2015 (closed October 1, 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. These businesses will provide access to up to approximately \$280 million of potential revenues, including \$220 million of premium.

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


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:

<p>Michael Karfunkel Chairman, Chief Executive Officer</p>	<ul style="list-style-type: none"> ▪ 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)
<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 President of National General Preferred Chief Product / Analytics 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"> ▪ 9+ 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>Michael Murphy Executive Vice President Accident and Health</p>	<ul style="list-style-type: none"> ▪ 32+ years of experience in the health insurance industry ▪ Joined National General in December 2012 ▪ Previous experience: Coventry Healthcare, United Health Group and CIGNA
<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>Dave Koegel Chief Actuary</p>	<ul style="list-style-type: none"> ▪ 35+ years of experience in the insurance industry ▪ Joined National General in February 2014 ▪ Previous experience: ISO, AIG, American Re, Deloitte & Touche, Imagine Re and AmTrust
<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>.

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	RAD 5.0	EPIC	Telematics
<ul style="list-style-type: none"> ▪ A 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. 	<ul style="list-style-type: none"> ▪ 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 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. 	<ul style="list-style-type: none"> ▪ A Siebel-based claims system. ▪ We believe we are ahead of the curve from an industry standpoint with EPIC, which is a paperless claims system 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. 	<ul style="list-style-type: none"> ▪ 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 

Focus on Profitable Underwriting (\$ in millions)

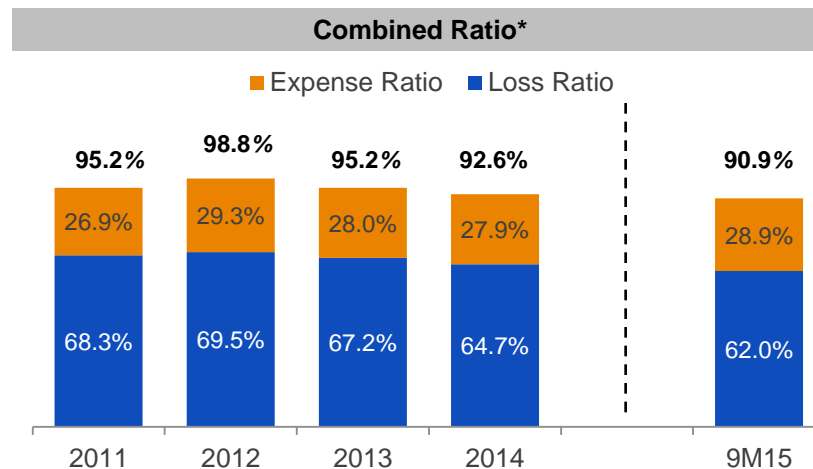
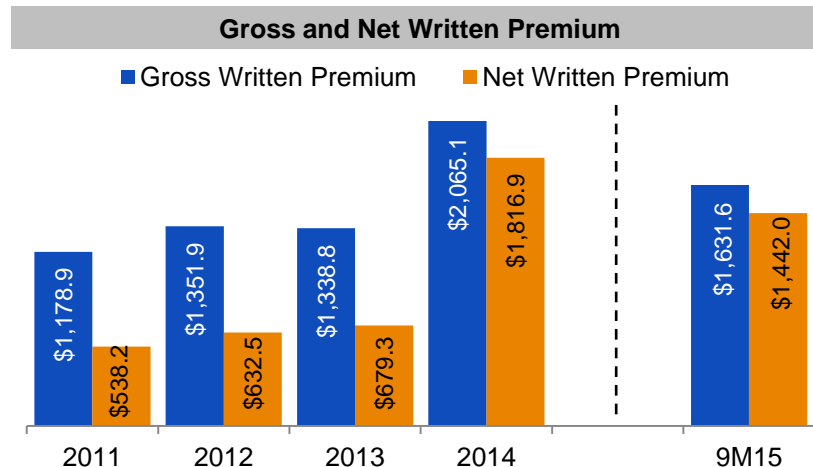
We target 3-5% organic growth with a companywide combined ratio* of 92-94%.

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.
- We target a companywide expense ratio* of 29-30%.



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

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 

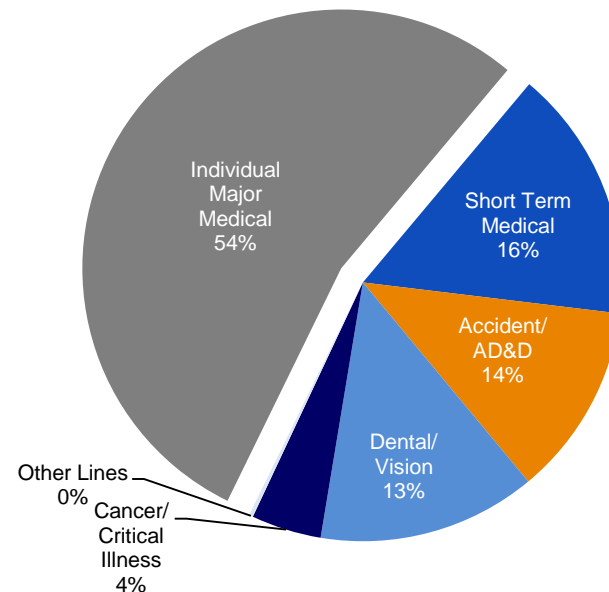
CURRENT OWNERSHIP 

March 2010: 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
July 2011: Renewal Rights to American Modern	December 2011: Acquisition of ClearSide General	September 2012: Acquisition of TABS companies from the Coca Cola Bottlers Association	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	

Healthcare Solutions Team (HST)

- **Announced:** January 26, 2015 (simultaneous closing)
- **Transaction Detail:** National General acquired Healthcare Solutions Team, LLC (HST), an Illinois based healthcare insurance managing general agency
- **Purchase Price:** An upfront cash payment of \$15 million and potential future earn out payments based on HST's overall profitability.
- **Rationale:** HST has a strong track record of growth and profitability in products consistent with and complementary to our current portfolio, and provides a broad distribution platform which we can leverage to further grow our existing business. The transaction is expected to be immediately accretive to earnings.
- **Business Details:**
 - Based in Lombard, Illinois, Healthcare Solutions Team (HST) was created in 2007 with the goal of providing families, individuals and groups with the best health insurance coverage for their needs and budgets.
 - In addition to health care insurance, HST offers an array of coverages including: short-term medical coverage; critical illness plans; dental insurance; Medicare supplements and life insurance; simple Health Savings Accounts (HSA); small business, self-employed and group health care; and major medical plans for individuals and families.
 - HST partners with approximately 500 independent agents across the country.
 - The company managed approximately \$130 million in gross written premium on behalf of third parties in 2014.

HST 2014 Managed GWP of ~\$130 million by Product Type



* **NOTE:** Individual Major Medical business is not written on National General paper.

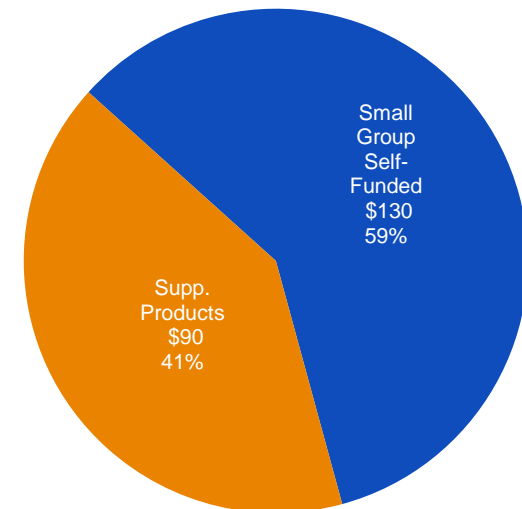
Assigned Risk Solutions (ARS)

- **Announced:** April 1, 2015 (simultaneous closing)
- **Transaction Details:** National General acquired ARS, a New Jersey based managing general agency that services assigned risk, personal auto, and commercial lines of business.
- **Purchase Price:** \$48 million in cash and potential future earnout payments
- **Rationale:** ARS has a solid track record of profitability, managed over \$100 million in premium in 2014 across their multi-state distribution platform, and is a dominant player in this niche market which is a unique and complementary business to our current portfolio. The transaction provides a valuable stream of fee income which we believe we can grow in the years to come, increased geographic diversification, expansion into a new product line, and we expect will be immediately accretive to earnings. We expect to be able to take over underwriting of the book on National General paper when the current third-party contract is completed.
- **Employees:** Approximately 230
- **Business Details:**
 - Based in Saddle Brook, New Jersey, Assigned Risk Solutions, Ltd. (ARS) is a full service managing general agency that services assigned risk auto, private passenger auto and commercial lines of business, and is the only assigned risk operation of its kind that has continually been in operation for more than a half-century.
 - ARS also offers a comprehensive suite of claims, investigative, and cost containment services that are cost effective and complementary to client companies.
 - ARS is licensed in 22 states with a heavy concentration of business coming from New York, New Jersey, and Pennsylvania.

Assurant Health

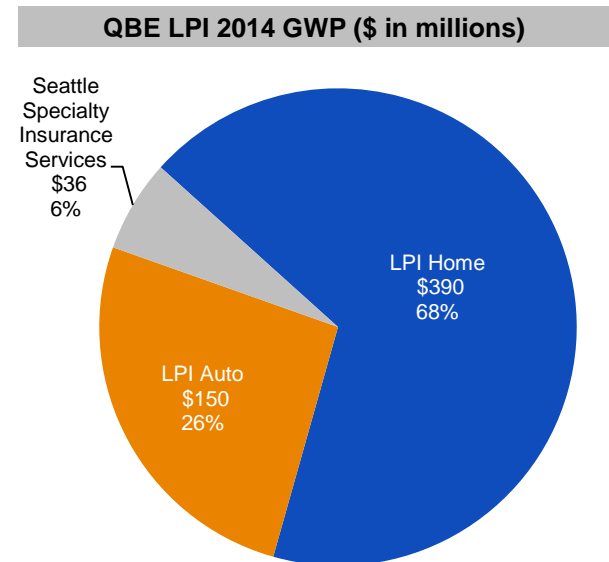
- **Announced:** June 10, 2015 (closed October 1, 2015)
- **Transaction Details:** The acquisition of certain business lines and assets from Assurant Health, including the small group self-funded and supplemental product lines, as well as the right to acquire certain other assets including North Star Marketing, a proprietary small group sales channel. In total, these businesses will provide access to up to approximately \$280 million of potential additional A&H revenues.
- **Purchase Price:** \$14 million aggregate cash payment
- **Employees:** Approximately 150-200 expected
- **Rationale:** This transaction substantially enhances the scale of our A&H business and makes us a more important player in a growing and changing marketplace which we believe presents a sizable opportunity following implementation of PPACA. Specifically, the acquisition enhances our market presence in the small-group medical stop-loss and supplemental health sectors. We expect the transaction to be immediately accretive to earnings.
- **Business Details:**
 - **Small Group Self-Funded (Stop Loss)** – This business provides a platform and products to employers with 5-100 employees who have or are establishing a company sponsored health benefit plan. Business is written in 36 states. The business is distributed with the help of *North Star Marketing*, a proprietary small group sales channel with approximately 80 employees that support roughly 45,000 independent appointed agents and provide high levels of personalized support and customized product expertise. 2015E GWP is expected to be roughly \$130 million, with approximately \$60 million of service and fee income associated with the book.
 - **Supplemental Products** – This business offers a broad portfolio of supplemental health products, including dental, accident/AD&D, cancer/critical illness, term life, and others. Business is written in 47 states and DC. The business is distributed through independent agents and MGAs. 2015E GWP is expected to be roughly \$90 million.

Assurant Health 2015E GWP (\$ in millions)



QBE Lender-Placed Insurance (LPI)

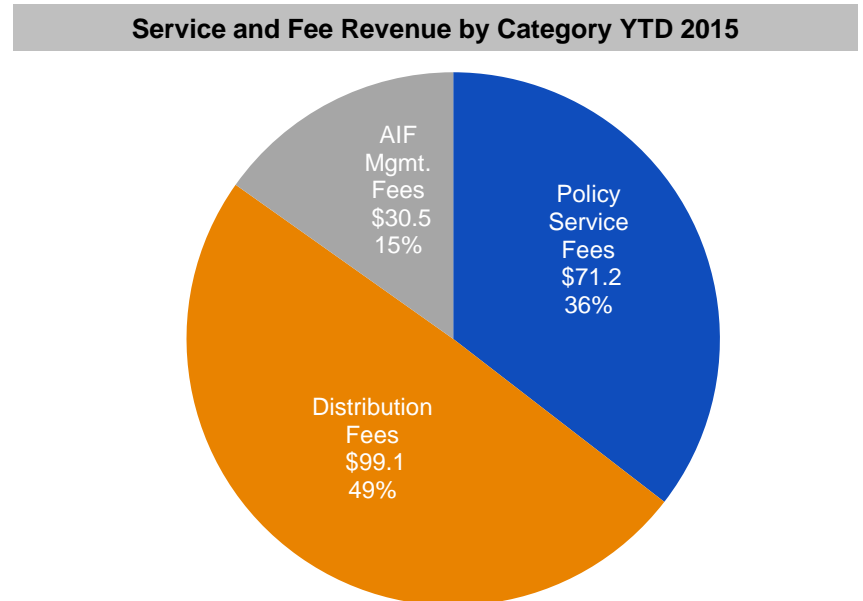
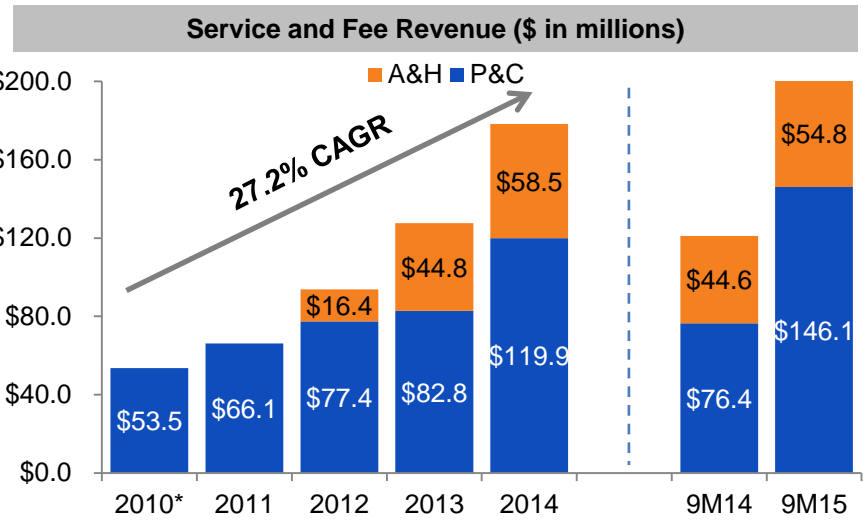
- **Announced:** July 15, 2015 (closed October 1, 2015)
- **Transaction Details:** The acquisition of certain assets, including loan-tracking systems and technology, client servicing accounts, intellectual property, and vendor relationships, as well as the assumption of all related insurance liabilities in a reinsurance transaction through which National General will receive the loss reserves, unearned premium reserves, and invested assets at closing. As of June 30, 2015 these amounts were approximately \$92 million, \$247 million, and \$342 million, respectively.
- **Purchase Price:** An aggregate cash payment of \$90 million, payable at closing.
- **Employees:** 1,300 (including outside contractors)
- **Rationale:** This acquisition facilitates National General's entry into the homeowners and auto lender-placed insurance segments with an industry leading platform and management team, is a natural fit with our existing homeowners and auto product portfolio, provides the opportunity to leverage technology expertise to operate the business under a more efficient cost structure and extract additional expense synergies, and is expected to be immediately accretive to earnings.
- **Business Details:** QBE LPI, the second largest lender-placed insurance platform in the U.S., produced \$576 million of gross written and managed premium and tracked 10.7 million home and auto loans in 2014. The company has an industry leading technology platform supported by comprehensive enterprise risk management capabilities, and a seasoned management team with significant operational expertise. QBE LPI offers a full suite of lender-placed insurance products to customers through three distinct operating segments:
 - **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. Produced \$390 million GWP with 160,300 policies in force and 7.8 million loans tracked in 2014. Approximately 49% of LPI Home GWP is produced through an exclusive long-term relationship with Bank of America.
 - **LPI Auto** – The largest LPI auto tracking platform in the U.S., offering collateral protection insurance (CPI), guaranteed asset protection (GAP) and insurance recovery services for automobiles. Produced \$150 million GWP with 66,600 policies in force and 2.9 million loans tracked in 2014. Approximately 42% of LPI Auto GWP comes from Wells Fargo.
 - **Seattle Specialty Insurance Services (SSIS)** – An agency and tracking business focused on the smaller niche loan servicing segment that offers a full range of coverage options underwritten by third-party insurance carriers. In 2014 SSIS produced \$36 million of third-party GWP with 4,236 policies in force, and tracked 595,000 loans. SSIS placed roughly one-third of its premium with QBE LPI.



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 (P&C segment).
- **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.



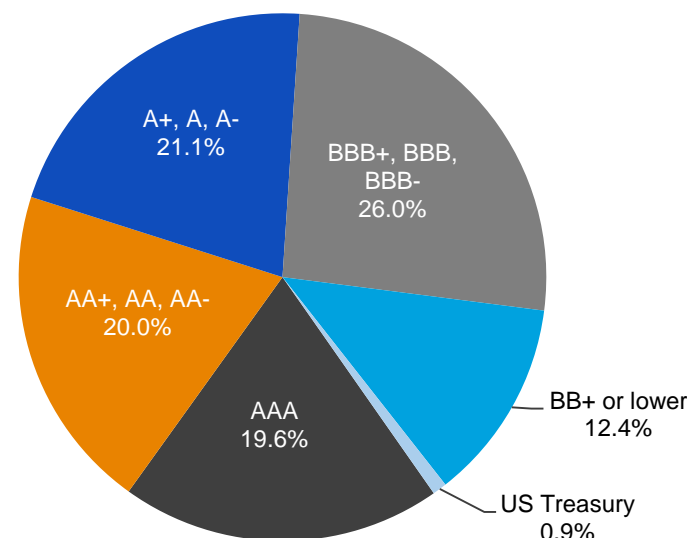
* NOTE: Period from March 1, 2010 (Inception) to December 31, 2010.

Conservative Investment Portfolio

Composition by Asset Class (\$ in millions) at September 30, 2015

	Fair Value at September 30, 2015			% of Portfolio
	NGHC	Reciprocal Exchanges	Total	
Preferred Stock	x	x	\$11.4	0.4%
Common Stock	x	x	52.1	1.9%
Total Equities	61.9	1.5	63.5	2.4%
Corporate Bonds	x	x	1,039.0	38.8%
Residential MBS	x	x	419.9	15.7%
Municipal Bonds	x	x	192.3	7.2%
Commercial MBS	x	x	134.0	5.0%
Structured Securities	x	x	118.4	4.4%
Foreign Government	x	x	29.7	1.1%
U.S. Treasuries & Federal Agency	x	x	22.6	0.8%
Asset Backed Securities	x	x	5.0	0.2%
Total Fixed Maturities	1,675.3	285.7	1,961.0	73.2%
Subtotal Equities & Fixed Maturities	1,737.2	287.2	2,024.4	75.6%
<i>Other Investments</i>				
Equity in Unconsolidated Subs.	233.5	0.0	233.5	8.7%
Notes Receivable from Related Party	127.2	0.0	127.2	4.7%
Cash & Cash Equivalents	267.1	11.8	278.9	10.4%
Other Investments	6.0	0.0	6.0	0.2%
Short Term Investments	5.0	4.0	9.0	0.3%
Total Investment Portfolio	\$2,376.1	\$303.0	\$2,679.1	100.0%

Fixed Income Composition by Ratings at September 30, 2015



Fixed Income Portfolio Key Statistics at September 30, 2015

Average Yield: 3.3%

Average Duration: 5.00 years

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 43% 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 <small>(\$ in millions)</small>			
	2014	2013	2012
Gross Loss Reserves	\$1,450.3	\$1,259.2	\$1,286.5
Reinsurance Recoverables	\$888.2	\$950.8	\$991.4
Net Loss Reserves	\$562.1	\$308.4	\$295.1
Net Case Reserves	\$320.8	\$163.8	\$165.6
Net IBNR	\$241.2	\$144.6	\$129.5
% IBNR	42.9%	46.9%	43.9%
Favorable/(Unfavorable) Development	(\$17.9)	(\$6.1)	(\$1.3)
Development as a % of Net Reserves	-3.2%	-2.0%	-0.4%

Reinsurance Recoverables <small>(\$ in millions)</small>			
	2014 Recoverable	% of Total	A.M. Best Rating
Michigan Catastrophic Claims Association (MCCA)	\$689.2	77.6%	NA
North Carolina Reinsurance Facility (NCRF)	\$84.2	9.5%	NA
Maiden Insurance Company	\$44.2	5.0%	A -
ACP Re.	\$26.5	3.0%	A -
Technology Insurance (AmTrust Financial subsidiary)	\$17.7	2.0%	A
Other Reinsurers	\$26.5	3.0%	NA
Reinsurance Recoverables Total	\$888.2	100.0%	

Actuarial Net Loss Reserve Range at 12/31/2014
High: \$596.1
Carried: \$562.1
Midpoint: \$557.1
Low: \$517.8

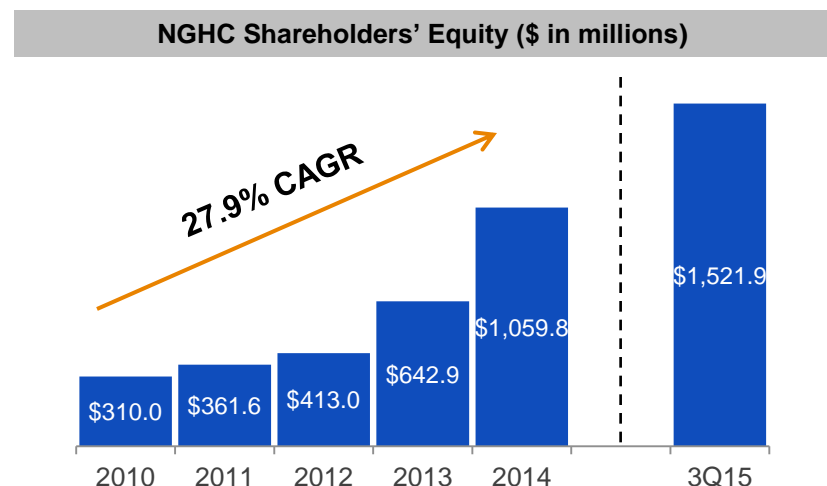
Capital Position

Recent capital raising 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.

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

NGHC Capital Position (\$ in millions)		
	Sept. 30, 2015	Pro Forma*
Shareholders' Equity	\$1,521.9	\$1,521.9
Debt	\$347.0	\$447.0
Total Capital	\$1,868.9	\$1,968.9
Undrawn Line of Credit	\$135.0	\$135.0
Total Available Capital	\$2,003.9	\$2,103.9
Debt to Equity Ratio	22.8%	29.4%
Debt to Total Capital Ratio	18.6%	22.7%



The Bottom Line: Strong Profitability



- Sophisticated data analytics enhances risk selection
- Predictive modeling capabilities applied to each individual risk
- Conservative reserving philosophy
- Prudent reinsurance structure

- Full integration of legacy systems to drive cost savings
- Proper expense controls enforced with management oversight
- Cost centric approach towards integration of acquisitions

- Conservative investment portfolio composed largely of high-quality fixed income securities
- Leverage resources and investment capabilities of AmTrust (AFSI), who manages over \$10 billion of combined investment assets for affiliated companies

- Utilization of debt instruments and preferred securities to minimize equity dilution
- Capital structure predominantly high-equity content securities

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%

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

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

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 recent acquisitions to boost 2015 and 2016 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 and small group self-funded products, 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 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 target a medium-term ROE of at least 15% across market cycles

Companies and Partners



VELAPOINT
personal insurance

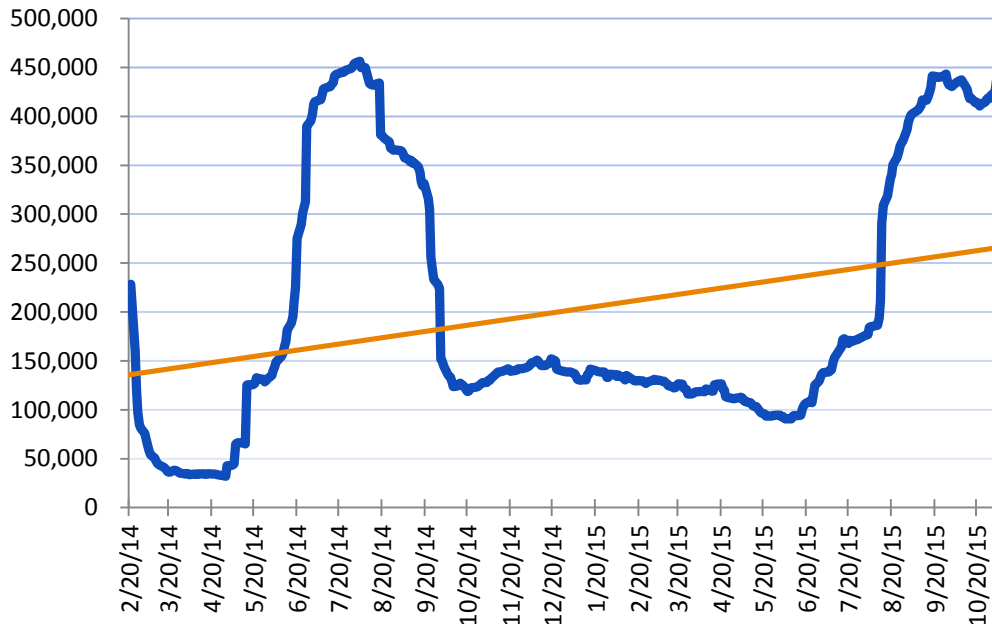


Appendix: Supplementary Information

Liquidity & Ownership

- Average Daily Volume: 438,738 shares (3 month average daily trading volume as of 11/5/2015)
- Currently 55% of our shares are owned by Affiliated Shareholders (including the Karfunkel family and AmTrust Financial), with 45% publicly floating.

3 Month Average Daily Volume



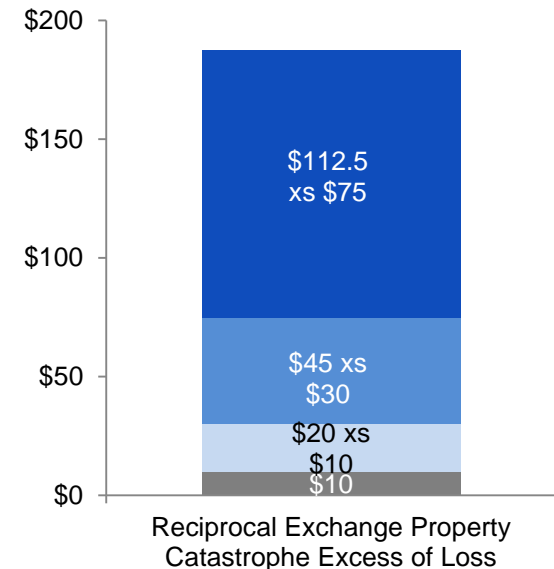
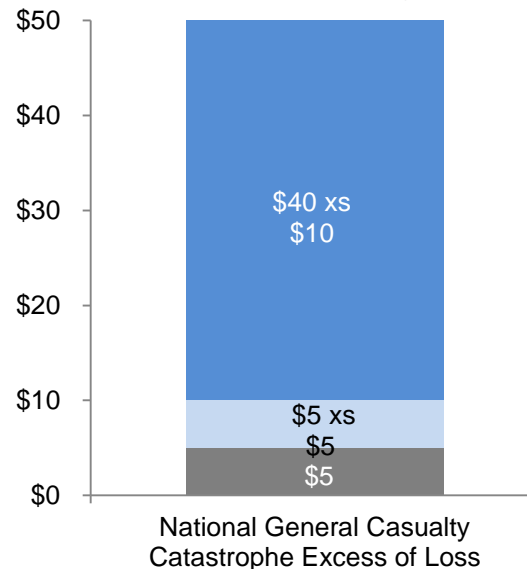
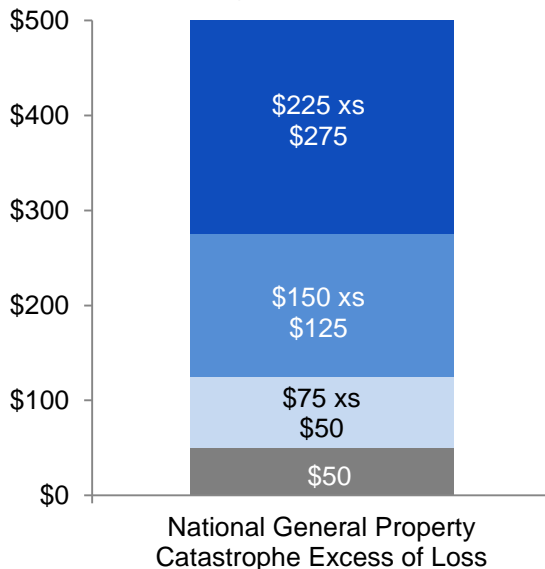
Affiliated Shareholders/Available Floating Shares

Holder	Shares (millions)	% of Shares
The Michael Karfunkel 2005 Grantor Retained Annuity Trust (GRAT)	33.0	31.3%
Michael Karfunkel	12.6	12.0%
AmTrust Financial	12.3	11.7%
June 2013 144A Equity Offering	21.9	20.8%
February 2014 144A Follow-On Equity Offering	13.6	12.9%
August 2015 Follow-On Equity Offering	11.5	10.9%
Exercised Options/RSUs	0.5	0.5%
Total	105.4	100.0%

Catastrophe Reinsurance

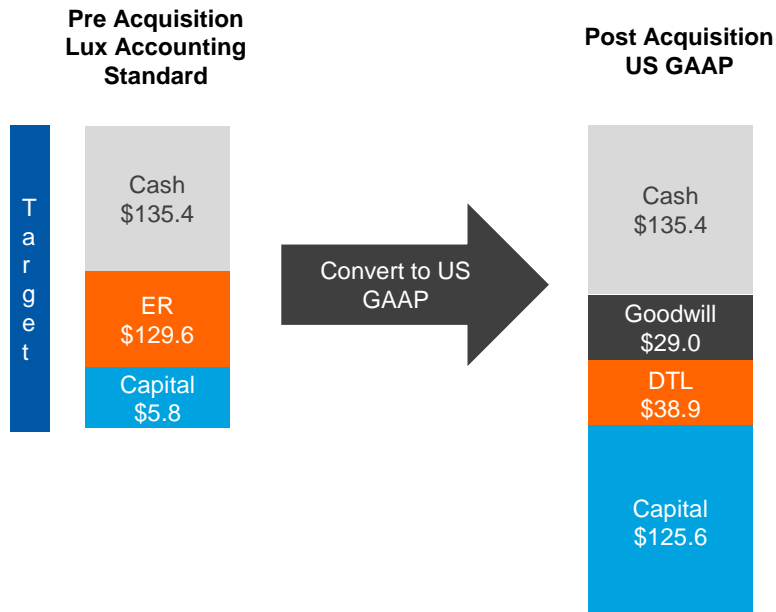
We have a sizable reinsurance program as of July 1, 2015 that we believe will conservatively protect our capital position in the case of a catastrophic event.

- Our property catastrophe program provides \$450 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 (net of quota share impact) provides \$177.5 million of coverage in excess of a \$10 million per event retention, with one reinstatement.
- We are in the process of determining the adjustments that will be necessary to our catastrophe reinsurance program for the addition of the recently acquired QBE LPI business.
- 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 years ended December 31, 2014 and 2013, we reduced our DTL relating to equalization reserves by \$21.2 million and \$1.8 million, respectively. This reduction lowered our effective tax rate by 16.7% and 3.4% for the years ended December 31, 2014 and 2013, respectively. As of September 30, 2015, the deferred tax liability related to the LRCs was \$32.0 million.
- As of September 30, 2015, approximately \$25.9 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 September 30, 2015, 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 256 policies with a face value of \$1.6 billion as of September 30, 2015. The fair value of the contracts owned by the LSC Entities is \$271.2 million; our proportionate interest is \$135.6 million.
- The following tables summarize data utilized in estimating the fair value of the portfolio of life insurance policies as of September 30, 2015 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:

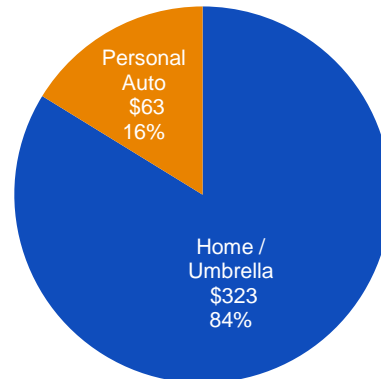
<i>(\$ in thousands)</i>	Sept. 30, 2015
Average age of insured	81.8 years
Average life expectancy, months ⁽¹⁾	114
Average face amount per policy	\$6,588
Effective discount rate ⁽²⁾	13.9%

<i>(\$ in thousands)</i>	Change in life expectancy	
	Plus 4 Months	Minus 4 Months
Investment in life policies: September 30, 2015	(\$35,235)	\$37,787
	Change in discount rate ⁽³⁾	
	Plus 1%	Minus 1%
Investment in life policies: September 30, 2015	(\$22,330)	\$24,938

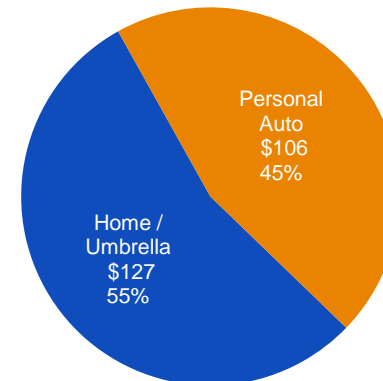
Tower Personal Lines

- **History:** Origins date to late 1800s, transaction closed September 15, 2014
- **Geography:** Operates throughout U.S., key states include: CA, CT, MA, ME, NH, NJ, NY, RI, and VT
- **Premium Volume*:** ~\$619 mm managed and GWP in 2014. Tower wrote \$385.8 million of GWP in homeowners, umbrella, and personal auto in 2014. Reciprocal Exchanges (Adirondack Insurance Exchange and New Jersey Skylands Insurance Association) wrote \$233.0 million of GWP in 2014
- **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.

Tower 2014 GWP*: \$386 million



Reciprocals 2014 managed GWP*: \$233 million



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 Points on the Combined Ratio	\$1.4 0.5%	(\$5.1) -3.2%	(\$3.7) -0.8%	(\$4.0) -1.2%	\$8.9 5.4%	\$4.9 1.0%	\$29.1 9.1%	\$37.8 20.2%	\$66.9 13.2%
Catastrophe Losses ** Points on the Combined Ratio	- -	- -	- -	\$42.8 12.8%	\$9.0 5.5%	\$51.8 10.4%	\$42.8 13.4%	\$6.5 3.5%	\$49.3 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.

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 from January 1, 2014 through September 15, 2014. We assumed 100% of Tower's unearned premium reserves with respect to in-force personal lines policies, net of reinsurance already in effect. We paid a 20% ceding commission with respect to unearned premium assumed and a 22% ceding commission with respect to new and renewal business, and up to a 4% claims handling expense reimbursement to Tower on all premium subject to the Cut-Through Reinsurance Agreement. The economic impact of this agreement is reflected in our first, second, and third quarter 2014 results.
- The transaction closed on September 15, 2014.
- Effective with the closing of the transaction, we entered into a Personal Lines Quota Share Reinsurance Agreement with Tower insurance companies, under which we will reinsure 100% of all losses for Tower new and renewal personal lines business written after September 15, 2014. The ceding commission payable under this reinsurance agreement is equal to the sum of reimbursement of the acquisition costs and 2% of gross written premium collected. In connection with the execution of the Personal Lines Quota Share Reinsurance Agreement, the Cut-Through Reinsurance Agreement was terminated on a run-off basis.



NGHC Receives from ACP Re:

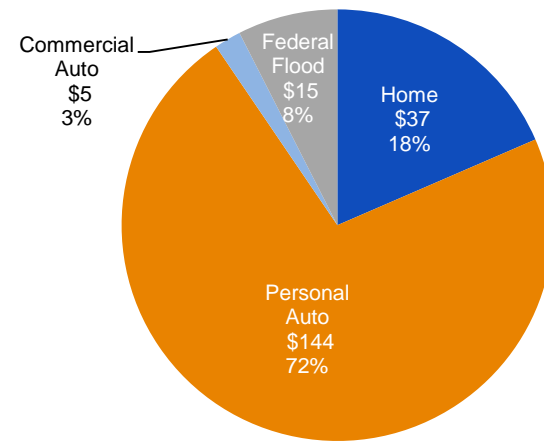
- Renewal rights of Tower Personal Lines Insurance Operations
- Attorney-in-Facts that manage the Reciprocal Exchanges (for \$7.5 million in cash)
- A 7-year \$125 million note bearing interest at 7%
- Full backstop (Retrocession) of up to \$125 million of our stop loss reinsurance of the Tower book,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

ACP Re Receives from NGHC:

- \$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

- **History:** Founded in 1990, acquired on June 26, 2014
- **Geography:** South/Southeast, with key states including FL, TX, and LA
- **Premium Volume*:** \$200 mm managed and GWP in 2014, including: \$152 million GWP at underwriting subsidiaries and \$48 million of managed premium written by ABC insurance agencies (~\$9 million on Imperial paper)
- **Distribution:** Through over 2,000 independent agents, an in-house independent retail agency and an internal MGA
- **Business Detail:** Underwrites personal auto, homeowners, commercial auto, and Federal Flood policies through four operating subsidiaries:

Imperial 2014 managed & GWP*: \$200 million



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.

* NOTE: NGHC results include Imperial results after June 26, 2014 closing; Imperial managed premium and GWP above reflect a full year of underwriting results.

Appendix: Financial Information

Summary Income Statement (\$ in thousands)

	Twelve Months Ended December 31,			Twelve Months Ended December 31, 2014			Three Months Ended September 30, 2015		
	2011	2012	2013	Reciprocal			Reciprocal		
				NGHC	Exchanges (4)	Consolidated	NGHC	Exchanges (4)	Consolidated
Revenues:									
Gross written premium	\$1,178,891	\$1,351,925	\$1,338,755	\$2,065,065	\$70,042	\$2,135,107	\$546,821	\$79,864	\$626,685
Net written premium	538,236	632,494	679,316	1,816,948	53,076	1,870,024	481,989	43,650	525,639
Net earned premium	498,210	574,252	688,066	1,585,598	47,622	1,633,220	468,965	34,296	503,261
Ceding commission income	77,475	89,360	87,100	7,643	4,787	12,430	(2,348)	14,498	12,150
Service, fees, and other income	66,116	93,739	127,541	178,333	139	168,571 ^(A)	70,853	1,248	60,907 ^(E)
Net investment income	28,355	30,550	30,808	50,627	1,799	52,426	16,140	2,332	18,472
Net realized gain/(loss) on investments	4,775	16,612	1,200	(648)	0	(648)	1,291	124	1,415
Other than temporary impairment losses	0	0	(2,869)	(2,244)	0	(2,244)	(6,009)	0	(6,009)
Other revenue	0	3,728	16	(1,660)	0	(1,660)	(157)	0	(157)
Total revenues	674,931	808,241	931,862	1,817,649	54,347	1,862,095 ^(B)	548,735	52,498	590,039 ^(F)
Expenses:									
Loss and loss adjustment expense	340,152	402,686	462,124	1,026,346	26,719	1,053,065	288,684	13,575	302,259
Acquisition and other underwriting costs	75,191	110,771	134,887	308,822	6,267	315,089	98,686	10,095	108,744 ^(G)
General and administrative	208,939	246,644	280,552	346,696	11,967	348,762 ^(C)	106,832	22,906	118,581 ^(H)
Interest expense	1,994	1,787	2,042	12,012	5,724	17,736	5,844	3,584	9,428
Total expenses	626,276	761,888	879,605	1,693,876	50,677	1,734,652 ^(D)	500,046	50,160	539,012 ^(I)
Pre-Tax Income	48,655	46,353	52,257	123,773	3,670	127,443	46,689	2,338	51,027
Provision for income taxes	28,301	12,309	11,140	22,712	1,164	23,876	7,840	774	8,614
Equity in earnings (loss) of unconsolidated subsidiaries	23,760	(1,338)	1,274	1,180	0	1,180	2,288	0	2,288
Net income	44,114	32,706	42,391	102,241	2,506	104,747	41,137	1,564	44,701
Less: Net income attributable to Non Controlling Interest	14	0	82	(2)	2,506	2,504	24	1,564	1,588
Net income attributable to NGHC	44,100	32,706	42,309	102,243	0	102,243	41,113	0	43,113
Less: dividends on preferred shares	4,328	4,674	2,158	2,291	0	2,291	4,125	0	4,125
Net income available to common stockholders	\$39,772	\$28,032	\$40,151	\$99,952	\$0	\$99,952	\$36,988	\$0	\$38,988

Balance Sheet Highlights *(\$ in thousands)*

	December 31,			December 31, 2014			September 30, 2015		
	2011	2012	2013	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated
Assets									
Cash and investments	\$961,428	\$991,865	\$1,116,707	\$1,753,237	\$245,483	\$1,998,720	\$2,248,901	\$300,716	\$2,549,617
Premiums and other receivables, net	387,558	450,140	449,252	699,553	58,238	757,791	660,532	62,846	723,378
Deferred acquisition costs	57,719	60,234	60,112	121,514	4,485	125,999	125,422	27,846	153,268
Reinsurance recoverable on unpaid losses	920,719	991,447	950,828	888,215	23,583	911,798	828,424	64,848	893,272
Prepaid reinsurance premiums	73,751	54,495	50,878	75,837	26,924	102,761	68,891	63,477	131,468 ^(A)
Premises and equipment, net	21,371	30,712	29,535	30,583	0	30,583	31,869	0	31,869
Notes receivable from related party				125,000	0	125,000	127,188	0	127,188
Goodwill & Intangible assets	77,433	112,935	156,915	308,168	11,433	319,601	385,893	6,212	392,105
Other assets	24,912	21,495	23,288	65,765	1,969	67,734	98,490	19,944	82,168 ^(B)
Total Assets	\$2,524,891	\$2,713,323	\$2,837,515	\$4,067,872	\$372,115	\$4,439,987	\$4,575,610	\$545,889	\$5,084,333 ^(C)
Liabilities									
Unpaid loss and loss adjustment expense reserves	\$1,218,412	\$1,286,533	\$1,259,241	\$1,450,305	\$111,848	\$1,562,153	\$1,428,541	\$136,777	\$1,565,318
Unearned premiums & other service revenue	454,397	492,770	483,551	752,965	119,998	872,963	837,350	151,163	987,613 ^(D)
Reinsurance & accounts payable	113,209	196,169	184,677	397,608	31,502	429,110	262,342	59,452	321,794
Securities under repurchase	74,026	86,744	109,629	46,804	0	46,804	41,441	0	41,441
Notes payable (Reciprocal Exchanges owed to related party)	85,550	70,114	81,142	255,631	48,374	304,005	347,031	54,455	401,486
Other Liabilities	217,701	167,951	76,408	104,779	46,723	151,502	137,024	135,367	236,125 ^(E)
Total Liabilities	\$2,163,295	\$2,300,281	\$2,194,648	\$3,008,092	\$358,445	\$3,366,537	\$3,053,729	\$537,214	\$3,553,777 ^(F)
Stockholders' Equity	\$361,596	\$413,042	\$642,867	\$1,059,780	\$13,670	\$1,073,450	\$1,521,881	\$8,675	\$1,530,556
Total Liabilities and Stockholders' Equity	\$2,524,891	\$2,713,323	\$2,837,515	\$4,067,872	\$372,115	\$4,439,987	\$4,575,610	\$545,889	\$5,084,333 ^(G)

Segment Performance: Quarterly (\$ in thousands)

Three Months Ended September 30,

	2015				2014			
	P&C	A&H	NGHC	Reciprocal Exchanges (4)	P&C	A&H	NGHC	Reciprocal Exchanges (4)
Gross written premium	\$503,227	\$43,594	\$546,821	\$79,864	\$469,873	\$17,729	\$487,602	\$9,993
Net written premium	448,140	33,849	481,989	43,650	406,699	17,666	424,365	7,205
Net earned premium	423,858	45,107	468,965	34,296	402,246	29,468	431,714	6,692
Ceding commission income (primarily related parties)	(2,615)	267	(2,348)	14,498	668	0	668	37
Service, fees, and other income	51,193	19,660	70,853	1,248	31,356	14,516	45,872	22
Total underwriting revenue	\$472,436	\$65,034	\$537,470	\$50,042	\$434,270	\$43,984	\$478,254	\$6,751
Loss and loss adjustment expense	\$255,165	\$33,519	\$288,684	\$13,575	\$251,418	\$18,250	\$269,668	\$5,351
Acquisition costs and other	81,321	17,365	98,686	10,095	68,146	15,496	83,642	273
General and administrative	92,771	14,061	106,832	22,906	77,267	11,050	88,317	1,811
Total underwriting expenses	\$429,257	\$64,945	\$494,202	\$46,576	\$396,831	\$44,796	\$441,627	\$7,435
Underwriting income (loss)	\$43,179	\$89	\$43,268	\$3,466	\$37,439	(\$812)	\$36,627	(\$684)
Non-cash impairment of goodwill	0	0	0	0	0	0	0	0
Non-cash amortization of intangible assets	1,727	1,005	2,732	1,355	1,565	916	2,481	353
Underwriting income (loss) before amortization and impairment	\$44,906	\$1,094	\$46,000	\$4,821	\$39,004	\$104	\$39,108	(\$331)
Underwriting ratios								
Loss and loss adjustment expense ratio (5)	60.2%	74.3%	61.6%	39.6%	62.5%	61.9%	62.5%	80.0%
Operating expense ratio (Non-GAAP) (6,7)	29.6%	25.5%	29.2%	50.3%	28.2%	40.8%	29.1%	30.3%
Combined Ratio (Non-GAAP) (6,8)	89.8%	99.8%	90.8%	89.9%	90.7%	102.8%	91.5%	110.2%
Underwriting ratios (before amortization and impairment)								
Loss and loss adjustment expense ratio (5)	60.2%	74.3%	61.6%	39.6%	62.5%	61.9%	62.5%	80.0%
Operating expense ratio (Non-GAAP) (6,9)	29.2%	23.3%	28.6%	46.4%	27.8%	37.7%	28.5%	25.0%
Combined Ratio (Non-GAAP) (6,8)	89.4%	97.6%	90.2%	85.9%	90.3%	99.6%	90.9%	104.9%

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

Nine Months Ended September 30,

	2015				2014			
	P&C	A&H	NGHC	Reciprocal Exchanges (4)	P&C	A&H	NGHC	Reciprocal Exchanges (4)
Gross written premium	\$1,478,172	\$153,409	\$1,631,581	\$217,830	\$1,484,344	\$117,873	\$1,602,217	\$9,993
Net written premium	1,315,238	126,783	1,442,021	93,053	1,292,793	117,613	1,410,406	7,205
Net earned premium	1,240,253	112,549	1,352,802	98,440	1,091,088	89,944	1,181,032	6,692
Ceding commission income (primarily related parties)	(2,069)	820	(1,249)	28,449	7,595	0	7,595	37
Service, fees, and other income	146,098	54,751	200,849	2,990	76,418	44,646	121,064	22
Total underwriting revenue	\$1,384,282	\$168,120	\$1,552,402	\$129,879	\$1,175,101	\$134,590	\$1,309,691	\$6,751
Loss and loss adjustment expense	\$759,198	\$79,752	\$838,950	\$56,824	\$691,856	\$58,763	\$750,619	\$5,351
Acquisition costs and other	233,951	40,276	274,227	20,967	185,359	47,074	232,433	273
General and administrative	282,797	42,239	325,036	48,831	205,503	36,072	241,575	1,811
Total underwriting expenses	\$1,275,946	\$162,267	\$1,438,213	\$126,622	\$1,082,718	\$141,909	\$1,224,627	\$7,435
Underwriting income (loss)	\$108,336	\$5,853	\$114,189	\$3,257	\$92,383	(\$7,319)	\$85,064	(\$684)
Non-cash impairment of goodwill	0	0	0	0	0	0	0	0
Non-cash amortization of intangible assets	5,479	2,936	8,415	5,221	3,181	5,253	8,434	353
Underwriting income (loss) before amortization and impairment	\$113,815	\$8,789	\$122,604	\$8,478	\$95,564	(\$2,066)	\$93,498	(\$331)
Underwriting ratios								
Loss and loss adjustment expense ratio (5)	61.2%	70.9%	62.0%	57.7%	63.4%	65.3%	63.6%	80.0%
Operating expense ratio (Non-GAAP) (6,7)	30.1%	23.9%	29.5%	39.0%	28.1%	42.8%	29.2%	30.3%
Combined Ratio (Non-GAAP) (6,8)	91.3%	94.8%	91.6%	96.7%	91.5%	108.1%	92.8%	110.2%
Underwriting ratios (before amortization and impairment)								
Loss and loss adjustment expense ratio (5)	61.2%	70.9%	62.0%	57.7%	63.4%	65.3%	63.6%	80.0%
Operating expense ratio (Non-GAAP) (6,9)	29.6%	21.3%	28.9%	33.7%	27.8%	37.0%	28.5%	25.0%
Combined Ratio (Non-GAAP) (6,8)	90.8%	92.2%	90.9%	91.4%	91.2%	102.3%	92.1%	104.9%

Non-GAAP Reconciliation (\$ in thousands)

Three Months Ended September 30,

	2015				2014			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Operating expense ratio (Non-GAAP)								
Total underwriting expenses	\$429,257	\$64,945	\$494,202	\$46,576	\$396,831	\$44,796	\$441,627	\$7,435
Less: Loss and loss adjustment expense	255,165	33,519	288,684	13,575	251,418	18,250	269,668	5,351
Less: Ceding commission income	(2,615)	267	(2,348)	14,498	668	0	668	37
Less: Service, fees and other income	51,193	19,660	70,853	1,248	31,356	14,516	45,872	22
Operating expense	125,514	11,499	137,013	17,255	113,389	12,030	125,419	2,025
Net earned premium	\$423,858	\$45,107	\$468,965	\$34,296	\$402,246	\$29,468	\$431,714	\$6,692
Operating expense ratio (Non-GAAP)	29.6%	25.5%	29.2%	50.3%	28.2%	40.8%	29.1%	30.3%
Operating expense ratio before amortization and impairment (Non-GAAP)								
Total underwriting expenses	\$429,257	\$64,945	\$494,202	\$46,576	\$396,831	\$44,796	\$441,627	\$7,435
Less: Loss and loss adjustment expense	255,165	33,519	288,684	13,575	251,418	18,250	269,668	5,351
Less: Ceding commission income	(2,615)	267	(2,348)	14,498	668	0	668	37
Less: Service, fees and other income	51,193	19,660	70,853	1,248	31,356	14,516	45,872	22
Less: Non-cash impairment of goodwill	0	0	0	0	0	0	0	0
Less: Non cash amortization of intangible assets	1,727	1,005	2,732	1,355	1,565	916	2,481	353
Operating expense before amortization and impairment	123,787	10,494	134,281	15,900	111,824	11,114	122,938	1,672
Net earned premium	\$423,858	\$45,107	\$468,965	\$34,296	\$402,246	\$29,468	\$431,714	\$6,692
Operating expense ratio (Non-GAAP)	29.2%	23.3%	28.6%	46.4%	27.8%	37.7%	28.5%	25.0%

Nine Months Ended September 30,

	2014				2013			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Operating expense ratio (Non-GAAP)								
Total underwriting expenses	\$1,275,946	\$162,267	\$1,438,213	\$126,622	\$1,082,718	\$141,909	\$1,224,627	\$7,435
Less: Loss and loss adjustment expense	759,198	79,752	838,950	56,824	691,856	58,763	750,619	5,351
Less: Ceding commission income	(2,069)	820	(1,249)	28,449	7,595	0	7,595	37
Less: Service, fees and other income	146,098	54,751	200,849	2,990	76,418	44,646	121,064	22
Operating expense	372,719	26,944	399,663	38,359	306,849	38,500	345,349	2,025
Net earned premium	\$1,240,253	\$112,549	\$1,352,802	\$98,440	\$1,091,088	\$89,944	\$1,181,032	\$6,692
Operating expense ratio (Non-GAAP)	30.1%	23.9%	29.5%	39.0%	28.1%	42.8%	29.2%	30.3%
Operating expense ratio before amortization and impairment (Non-GAAP)								
Total underwriting expenses	\$1,275,946	\$162,267	\$1,438,213	\$126,622	\$1,082,718	\$141,909	\$1,224,627	\$7,435
Less: Loss and loss adjustment expense	759,198	79,752	838,950	56,824	691,856	58,763	750,619	5,351
Less: Ceding commission income	(2,069)	820	(1,249)	28,449	7,595	0	7,595	37
Less: Service, fees and other income	146,098	54,751	200,849	2,990	76,418	44,646	121,064	22
Less: Non-cash impairment of goodwill	0	0	0	0	0	0	0	0
Less: Non cash amortization of intangible assets	5,479	2,936	8,415	5,221	3,181	5,253	8,434	353
Operating expense before amortization and impairment	367,240	24,008	391,248	33,138	303,668	33,247	336,915	1,672
Net earned premium	\$1,240,253	\$112,549	\$1,352,802	\$98,440	\$1,091,088	\$89,944	\$1,181,032	\$6,692
Operating expense ratio (Non-GAAP)	29.6%	21.3%	28.9%	33.7%	27.8%	37.0%	28.5%	25.0%

Additional Disclosures

- (1) Standard life expectancy as adjusted for specific circumstances.
- (2) 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).
- (3) Discount rate is a present value calculation that considers legal risk, credit risk and is a component of EDR.
- (4) Results for the three months ended September 30, 2014 include only 15 days of results for the Reciprocal Exchanges and 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.
- (5) Loss and loss adjustment expense ratio is calculated by dividing loss and loss adjustment expenses by net earned premium.
- (6) 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. Management uses operating expense ratio (non-GAAP) and combined ratio (non-GAAP) to evaluate financial performance against historical results and establish targets on a consolidated basis. The Company believes this presentation enhances the understanding of our results by eliminating what we believe are volatile and unusual events and presenting the ratios with what we believe are the underlying run rates of the 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 Reconciliation table within this release for the reconciliation of these Non-GAAP measures to the most directly comparable GAAP measure.
- (7) Operating expense ratio (non-GAAP) is calculated 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.
- (8) Combined ratio (non-GAAP) is calculated by adding the loss and loss adjustment expense ratio and the operating expense ratio (non-GAAP) together.
- (9) Operating expense ratio (non-GAAP) before amortization and impairment is calculated 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.)