National General Holdings Corp.

Investor Presentation

Fourth Quarter

2019

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.

National General Holdings Corp.

National General Holdings Corp.

Company Overview

Introducing National General

National General provides niche personal insurance and related services to protect people's automobiles, homes, and health.

The roots of our business can be traced back over 80 years to the Motor Insurance Corporation formed by GMAC. Evolved and expanded over the decades, the business took its current form when acquired from GMAC in 2010.

We operate two key segments: Property & Casualty (P&C), and Accident & Health (A&H).

We continually seek opportunities in attractive niches to outperform others over the long term by leveraging our proprietary technology platform which provides us with superior data insight thereby enabling us to out-segment our competition.

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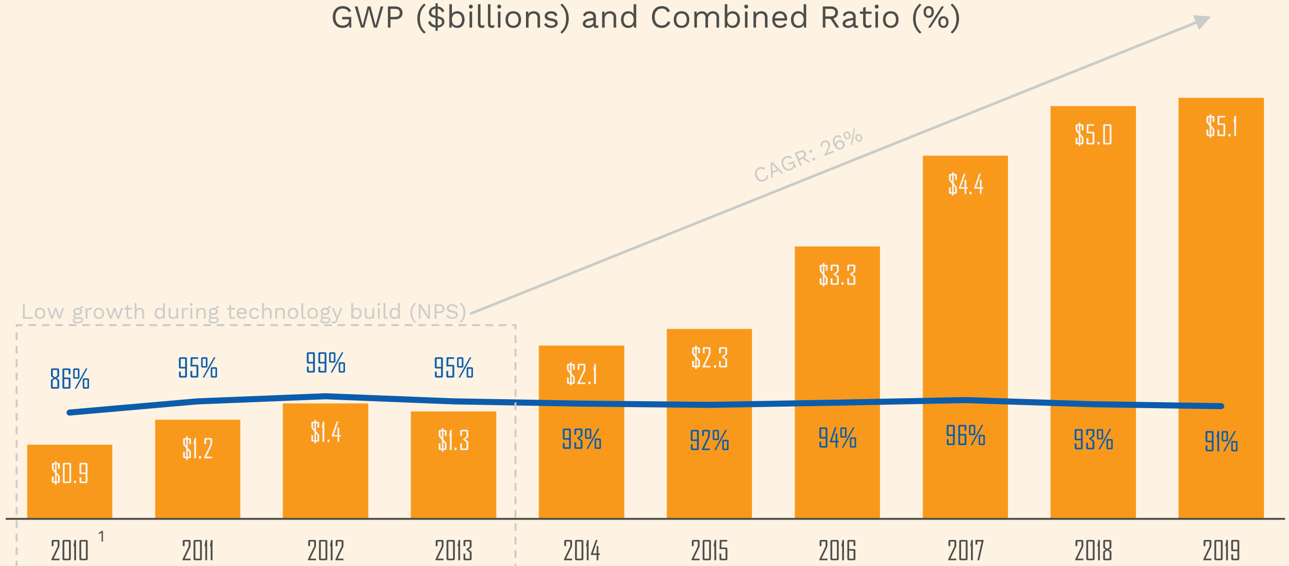
Key statistics

Ticker (Nasdaq):	NGHC	
Share Price:	$22.10	as at close of trading on December 31, 2019
Shares Outstanding:	113 million / 67 million public float	as of December 31, 2019
Market Capitalization:	$2.5 billion	as of December 31, 2019
Book Value:	$19.06 per fully diluted share	as of December 31, 2019
Dividend:	$0.05 per share quarterly / $0.20 per share annually	1.0% annual dividend yield
Credit Rating:	A- (AM Best)	
Total Capital:	$3.6 billion	as of December 31, 2019
- Common Stock:	$2.51 billion market capitalization	as of December 31, 2019
- Preferred Stock:	$0.45 billion of issued capital	as of December 31, 2019
- Borrowings:	$0.69 billion of issued debt capital	as of December 31, 2019

GWP ($billions) and Combined Ratio (%)



1. Period from March 1, 2010 (Inception) to December 31, 2010
Combined Ratios exclude amortization and impairment (non-GAAP)

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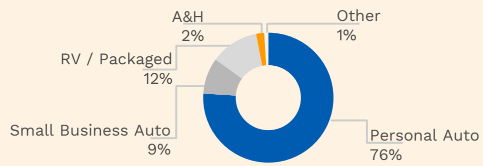
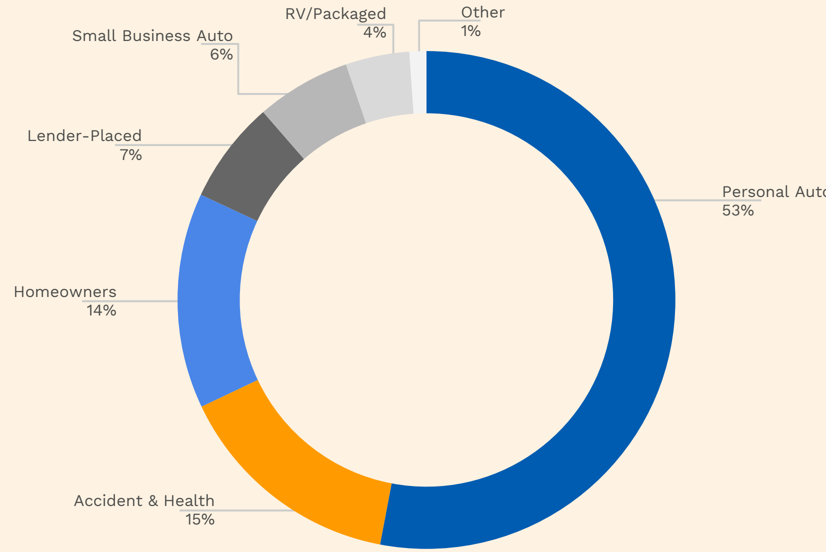
Business mix

2013 GWP:
$1,339m



2019 GWP:
$5,136m



Represented by (as at 31 December 2019)
~9,200 employees
~42,300 independent P&C agents and brokers
~46,200 independent A&H agents and brokers

National General Holdings Corp.

Property & Casualty

Overview

Our P&C segment operates across Automobile, Homeowners and Lender Placed insurance. We are licensed to operate in 50 states and the District of Columbia.

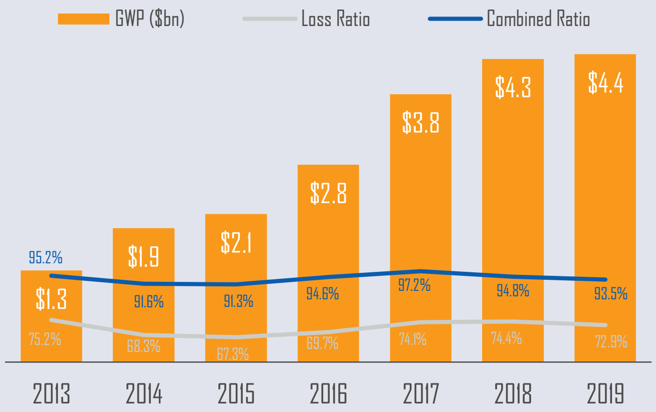
The P&C business has been built upon our own technologies for policy management (NPS) and claims management (EPIC). Investing in this core competency yields more efficient data capture, facilitating the use of proprietary tools to implement new pricing elements.

In turn, this enables better risk segmentation allowing us to compete successfully in the non-standard market, better model policyholder traits, impacts on home losses, and find valuable niches.

These systems are also highly scalable, allowing us to grow without significant cost.

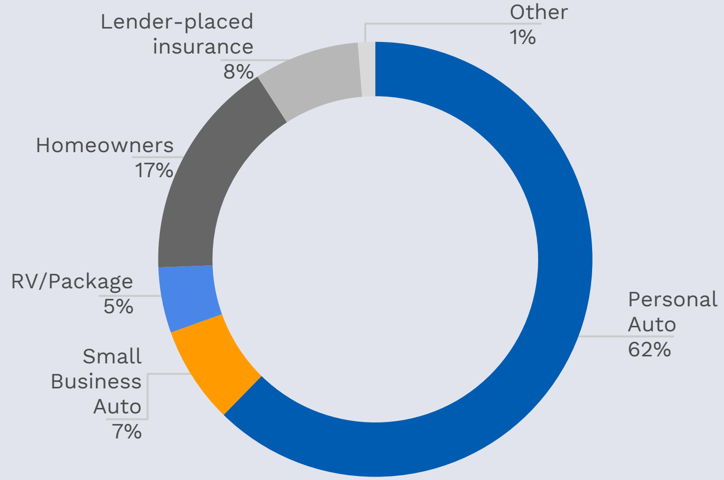
In combination, this has underpinned our track record of profitable growth.

P&C Performance

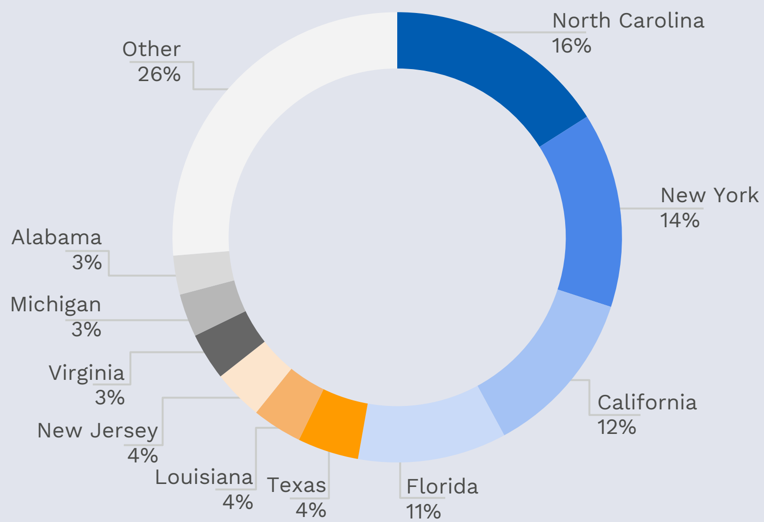


Business mix

2019 P&C GWP by Type



2019 P&C GWP by State



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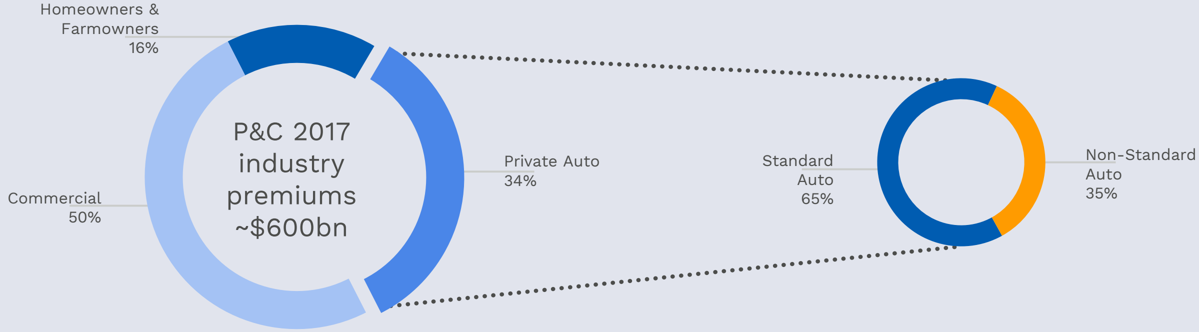
Non-standard auto insurance



The non-standard auto market has been estimated at roughly $50 billion in annual premiums. Of this, National General's market share is in the low-to-mid single digits.

'Non-standard' refers to the higher-risk sector of the overall market including new drivers, drivers with moving violations/credit problems, or purchase minimum limits.

This group of customers commonly make purchasing decisions based on affordability and availability of funds. They also often prefer to purchase shorter policy duration with lower limits than standard policies. These policies can have a high lapse-rate and require frequent interactions with customers. This segment of the market is also more susceptible to fraud.

Embracing this more challenging part of the market requires a unique approach.

The core of our advantage is the insight we gain from proprietary underwriting technology that allows NGHC to better segment the market. Within desirable segments NGHC's data driven analytics allows greater pricing consistency than most peers.

Our technology also reduces overhead and keeps expenses low in a high-touch environment. Our claims department also has decades of experience and data from successfully handling non-standard risks.

Additionally, non-standard auto policies with lower limits tend to have less reserve volatility and therefore can lead to more consistent underwriting results for shareholders.

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NOTE: Non-Standard Auto market share estimate based on Insurance Journal's estimated 30-40% of total auto insurance.

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Automobile

We underwrite various P&C products distributed through independent agents and brokers, our own MGAs, and direct to consumers.

Private Passenger Auto: We insure liability and physical damage for non-standard, standard and preferred risks throughout the U.S.

Direct Auto: Our omni channel direct-to-consumer business.

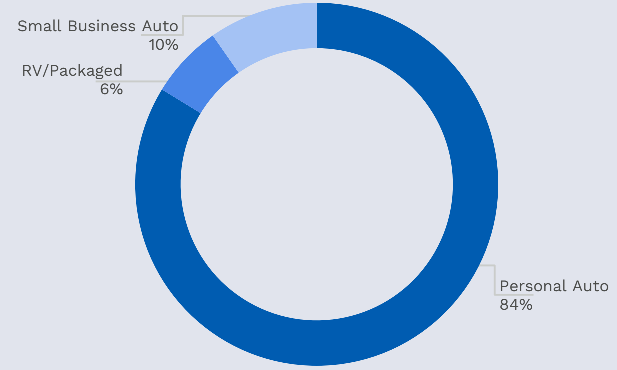
Affinity Auto: We offer customized white label products to affinity groups.

RV/Package: We are one of the top writers of RV coverage in the country. Much of which is via an exclusive relationship with Good Sam, an RV club with over 1 million members.

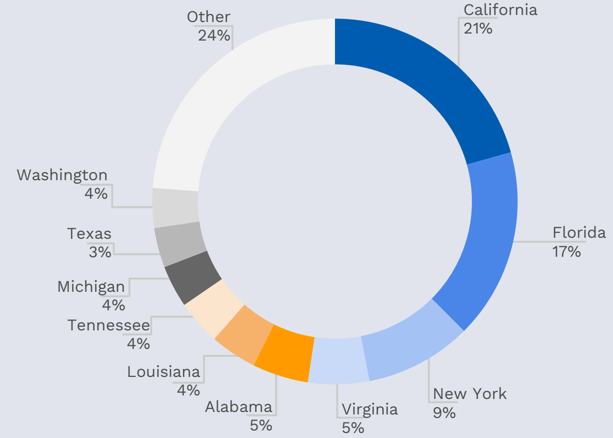
Small Business Auto: We provide liability and physical damage coverage for light-to-medium duty commercial vehicles - focused on artisan vehicles with an average of two vehicles per policy.

Motorcycle: We provide coverage for most types of motorcycles, as well as golf carts and all-terrain vehicles.

2019 Auto GWP by Product



2019 Auto GWP by State



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Home & package

Our core multiple-peril homeowners policies provide property and liability coverages for one- and two-family, owner-occupied residences.

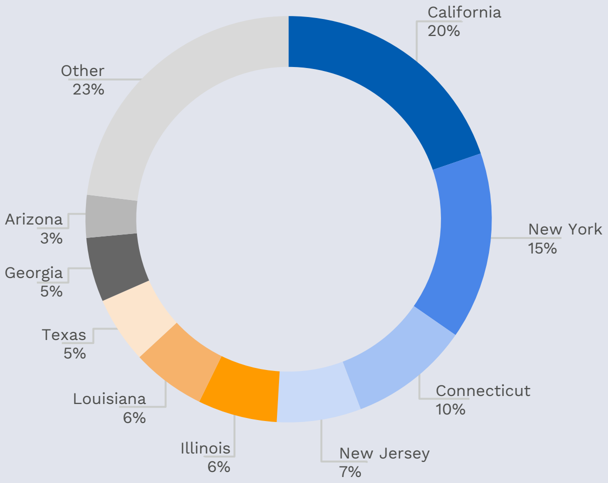
We tend to position our product toward a standard/preferred customer base. In this respect, we also package additional coverage to the homeowner for personal umbrella or auto.

Our technology platform provides agents with unparalleled ease of use which contributes to our growth.

We also have products for the High Net Worth homeowner:

NatGen Premier offers package policies for a target market of home values between $750,000 and $5 million. Our core focus is on home values in the $1-3 million range, or what we define as the mass affluent market.

2019 Home & Package GWP by State



Lender services

National General Lender Services, the second largest lender-placed insurance platform in the U.S., produced $342 million of gross written premium in 2019.

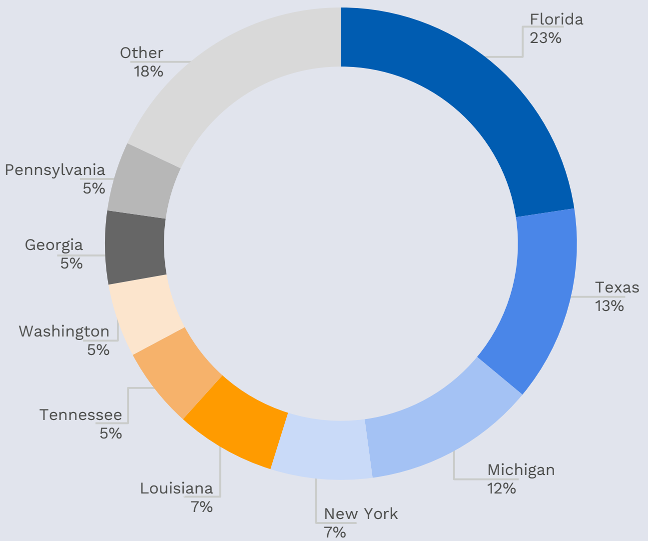
We acquired the Lender Services platform in 2015, which facilitated our entry into the homeowners and auto lender-placed insurance line with an industry leading platform and management team.

The company now has an industry leading technology platform supported by comprehensive enterprise risk management capabilities, offering a full suite of lender-placed insurance products to customers through the following operating units:

LPI Home: The second largest LPI home platform in the U.S., offering fire, home, and flood products, as well as tracking and other ancillary services to financial institution clients.

LPI Auto: We offer collateral protection insurance (CPI), guaranteed asset protection (GAP) and insurance recovery services for automobiles.

2019 Lender placed GWP by state



Accident & Health

Overview

We are a niche provider of accident & health insurance, where we seek emerging opportunities in an evolving market.

We entered this market in 2012 following the passing of the Affordable Care Act, and then further expanded our capabilities with the acquisition of certain Assurant Health assets in 2015.

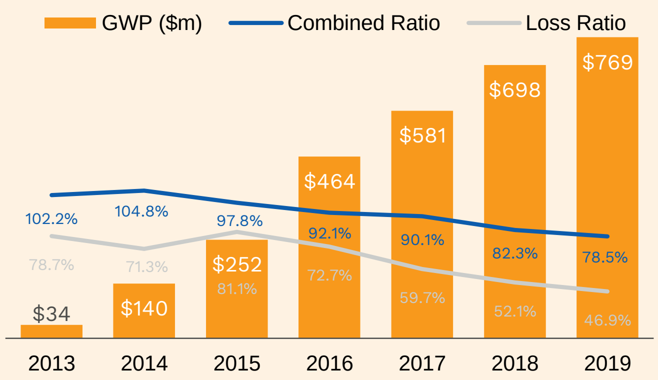
We aim to leverage our analytical capabilities to out-segment our competitors.

We focus on individual products which mostly consist of Short Term Medical and supplemental products as well as group products consisting of stop loss coverage for groups with under 50 employees.

Our products are distributed through owned and independent agencies which bolsters our growth.

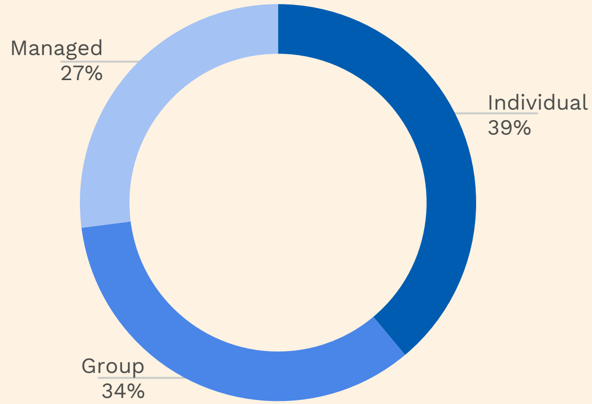
This has driven our history of profitable growth.

A&H Performance

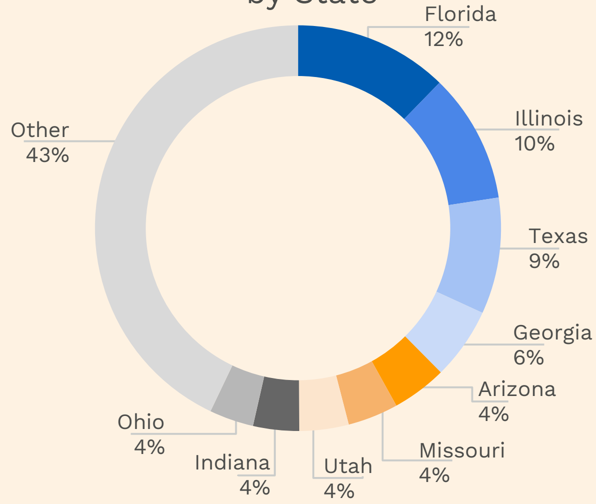


Business mix

2019 A&H GWP & Managed Premium



2019 A&H GWP & Managed Premium by State



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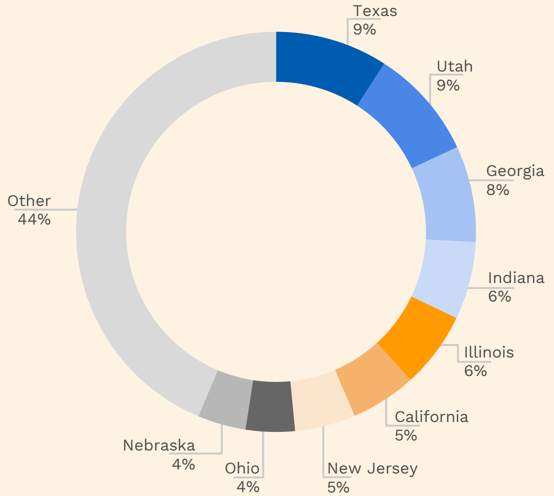
Group products

We offer a wide array of self-funded/stop loss programs for small employers.

We offer small employers the opportunity to save on employee benefits costs by self-insuring. Included in the single monthly invoice that they receive from us is the self-insured amount, as well as their network access and administration fees which provide them with access to top networks, and the specific and aggregate stop loss cover which caps their out of pocket expense.

These products allow us to deploy our analytics capabilities across both individuals and groups. They also satisfy our preference for short-tail risk, and allow us to have a significant exposure within an attractive niche.

2019 Group GWP by state



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Individual products

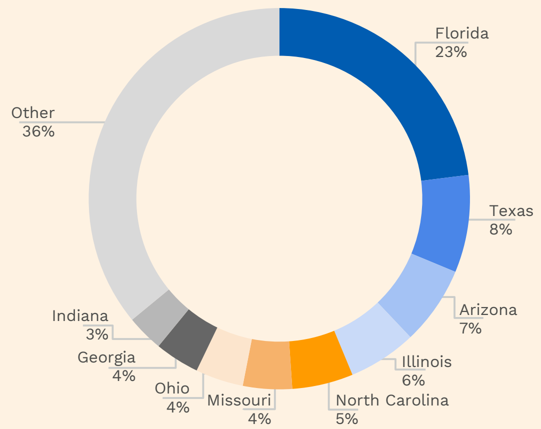
We focus on individual health insurance products that lie in a variety of niches outside of major medical insurance.

Short Term Medical: These plans offer major medical coverage to individuals for a prescribed short duration. Carriers may still underwrite and install basic cost protection devices like pre-existing condition limitations.

Supplemental Plans: These plans can be packaged with core medical coverage to help bridge the gap until the deductible in the event of a critical illness or accident or provide ancillary coverages such as dental and vision.

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.

2019 Individual GWP by state



Distribution services

We have invested in a range of exclusive and non-exclusive distribution capabilities across the A&H market. This gives us considerable market intelligence and control, while also providing an important financial contribution.

Distribution infrastructure technologies:
Quotit, AgentCubed & LeadCloud
We sell software that is critical infrastructure to many businesses in this sector. Quotit is an online quoting and enrolling platform that connects carriers, brokers, and consumers. AgentCubed offers lead distribution and CRM software solution specific to the insurance industry. LeadCloud is a data integration platform connecting over 500 carriers, agencies and marketers across both the P&C and A&H segments.

Lead generators:
HealthNetwork & Transparent.ly
HealthNetwork is a consumer marketing engine for a wide range of health insurance products. Transparent.ly is a programmatic demand platform providing targeted traffic to consumer facing sites. Both businesses provide volume to National General and to third parties.

Call center agencies:
VelaPoint & HealthCompare
VelaPoint is a general agency call center that sells a full range of supplemental & individual major medical policies via state/federal exchanges and third-party carriers. To complement that, HealthCompare is a consumer facing website and call center that sells medicare-related health insurance products primarily to seniors.

Captive general agencies:
Health Solutions Team (HST)
HST is an MGA that partners with ~500 independent agents across the U.S. to provide a wide range of A&H products from multiple carriers.

Non-exclusive general agency:
America's HealthCare Plan (AHCP)
ACHP is an 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.

Independent agencies:
We have partnered with ~46,200 independent A&H agents & brokers across the country to distribute our products.

National General Holdings Corp.

Strategic Advantages

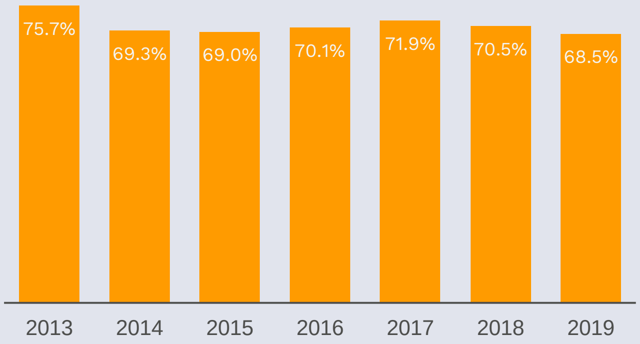
Short-tail niches

Our focus on short-tail products results in limited risk around future reserve development.

Short-tail products also result in reliable data and faster learning, which can be fed back into our underwriting.

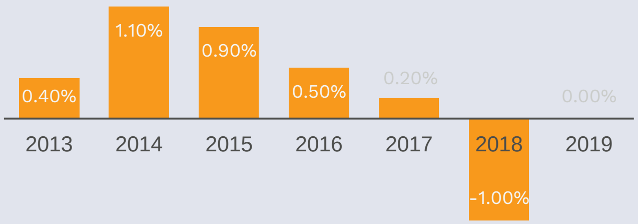
As a result, loss ratios have remained stable despite recent catastrophe events.

Loss ratios have been stable



Our Products	Short-tail?
Personal Auto:	✓
HNW Homeowners:	✓
RV & Specialty Auto:	✓
Short Term Medical:	✓
Supplemental Health:	✓
Small Group Stop-Loss:	✓

Reserve development has been limited [1,2]



1 - Excludes reciprocal exchanges
2 - Measures impact on reported calendar year loss ratios from prior period loss reserve development

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Core competence in technology

Software infrastructure:

Our business is built upon our own technologies for policy management (NPS) and claims management (EPIC).

These proprietary systems allow us to capture more data and rapidly implement new pricing elements quickly, or change underwriting rules. We can also add new vendors and improve agent interfaces at a much faster rate. Our speed to market for new and enhanced products is industry leading. This has positive effect on both our top and bottom line.

Using NPS as an all-in-one system means we do not require disparate solutions for policy processing, billing and a user application database.

Having our in-house developers speaking directly with product, actuarial and claims teams inherently strengthens our systems and therefore improves both the short and long term quality.

We do not rely on a 3rd party base product that is customized. Therefore we do not have the costs associated with managing customizations through any upgrade in base product.

Technology opportunities:

We continue to find value investing in applications of machine learning and artificial intelligence.

Our natural language chatbot answered over 40,000 customer enquiries in 2019, and reduced the number of claims status phone calls by over 1,000 per week. Up to 66% of interactions with the chatbot can be resolved without any human interaction.

Capabilities under development will help to lower customer service delivery costs by helping our representatives improve first-call resolution and proactively identify cross-sell opportunities. AI tools will also help our sales team be more effective through sentiment scoring, and help our claims teams with fraud detection.

We are also investing in computer vision tools, and tools for robotic process automation.

All of which we expect to have a deeper impact in 2020.

National General Holdings Corp.

Diversified fee income

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

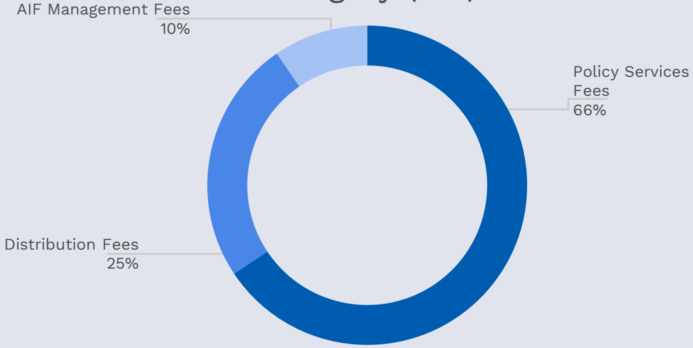
Our main sources of our fee income include:

Policy Service Fees: Policy service fees are generally designed to offset expenses incurred in the administration of our insurance business (across both P&C and A&H segments). These include fees for installment plans, policy renewal, non-sufficient funds, late payments, cancellations and various financial responsibility filing fees.

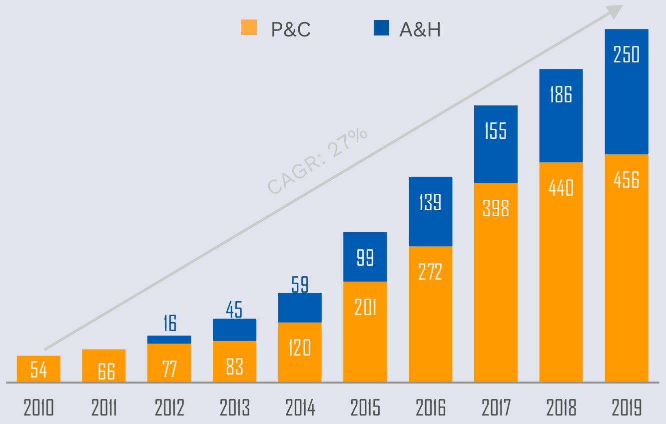
Distribution Fees: We collect service fees as commissions and general agent fees for selling policies issued by third-party insurance companies, on which we do not bear underwriting risk (across both P&C and A&H segments).

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 only). These fees are eliminated in consolidated GAAP results.

2019 Service and Fee Income by category ($m)



Service and Fee Revenue ($m)



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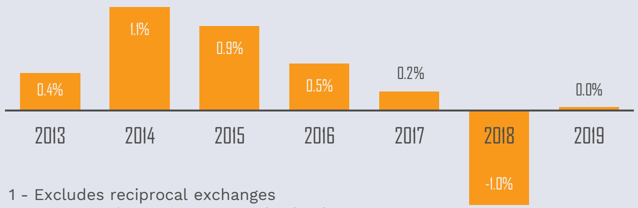
Executive talent

Barry Karfunkel Co-Chairman Chief Executive Officer	9+ years experience in the financial services industry Joined National General at inception in 2010, where he has served on the Board of Directors and as Executive Vice President, President, and now CEO
Robert Karfunkel Co-Chairman President	Joined National General at inception in 2010, where he has served on the Board of Directors and as Executive Vice President – Strategy and Development, Chief Marketing Officer, and now President. Serves as a director of many National General subsidiaries
Michael Weiner Executive Vice President Chief Financial Officer	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.
Jeffrey Weissmann Executive Vice President General Counsel & Secretary	15+ years of experience in financial services and insurance industry legal affairs Joined National General as General Counsel & Secretary in 2011 Previous Experience: Cadwalader, Wickersham & Taft, LLP in securities, mergers & acquisitions and corporate governance
Peter Rendall Executive Vice President Chief Operating Officer and CRO	16+ 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)
Doug Hanes Executive Vice President P&C Product Management	10+ years of experience in the insurance industry Joined National General (via GMAC Insurance) in February 2006 Previous experience: FirmLogic LLC (Litigation Consulting Firm), National Institutes of Health
Andy McGuire Executive Vice President National General Preferred	20+ years of experience in the insurance industry Joined National General (via Tower transaction) in September 2014 Previous experience: Tower Group, Fireman's Fund, Zurich North America, Allstate and Safeco
Mike Bentz Senior Vice President National General Benefits Solutions	10+ years of experience in the Insurance Industry Joined National General in October 2015 Previous experience: Assurant Health, Mckinsey & Company
Art Castner President National General Lender Services	20+ 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
Jim McCoy Senior Vice President Chief Actuary	20 years of actuarial experience in pricing and reserving capacities for both commercial and personal lines Joined National General in 2018 Previous experience: Chief Actuary at AIG's international business. Fellow of the Casualty of Actuaries (FCAS)
Aaron Kuluk Executive Vice President Retail Distribution	14+ years of experience in the insurance industry Joined National General in November 2013 Previous experience: various management roles at National General and subsidiaries, Sequoia Insurance
Tom Newgarden Executive Vice President Business Development	25+ years of experience in the insurance industry Joined National General in August 2010 Previous experience: Safeco and AIG
Jodi Swartz Executive Vice President Chief Marketing Officer	20+ year track record of marketing performance excellence Joined National General in October 2019 Previous experience: Weber Shandwick, DoublePositive, North Charles Street Design Organization, Conexion

National General Holdings Corp.

Conservative profile

Reserve development [1,2]



1 - Excludes reciprocal exchanges
2 - Measures impact on reported calendar year loss ratios from prior period loss reserve development

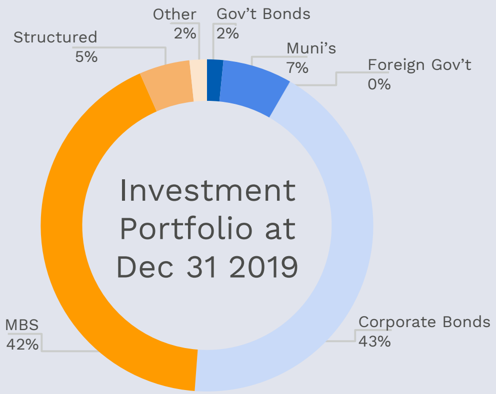
Short-tail business focus provides confidence with reserving levels.

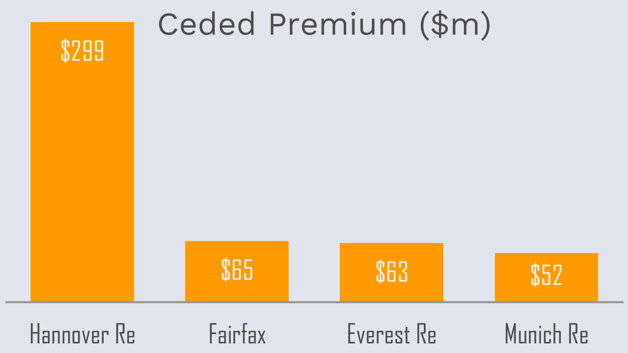
As a result, historical development has been small relative to aggregate reserves, and therefore has protected the Balance Sheet from volatility.

Blackrock, a premier independent asset manager, has been managing our investment portfolio as of May 2018.

A yield of 3.1% was achieved through 2019.

78% of our fixed income investment are rated "A-" or better. 98% of our fixed income portfolio is investment grade.





We have partnerships with some of the largest and best quality global reinsurers. In particular, we have a large auto quota share with Hannover Re.

Our property quota share is with a consortium of high quality reinsurers. Maximum loss on one individual property event is $41mm pre-tax

National General Holdings Corp.

Disciplined M&A

We have demonstrated expertise at acquiring, integrating and improving insurance & technology businesses.

Acquisition philosophy: We try to identify companies that are good underwriters but have operational challenges, particularly where target companies can bring complementary operational capabilities that we don't already possess.

Valuation discipline: We avoid large auctions to ensure we maintain price discipline.

Sourcing: We maintain relationships with many potential targets. Many of these targets have seen our track record and know we are a good home for management teams.

Integration expertise: We can integrate acquired companies on to our proprietary technologies to gain value rapidly.

Track record of strategic acquisitions:

- July 2011: Renewal Rights of 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
- November 2012: Acquisition of National Health Insurance Company (NHIC)
- April 2013: Acquisition of Euro Accident
- 2013: Form European life and non-life insurers
- April 2014: Acquisition of Personal Express
- June 2014: Acquisition of Imperial
- July 2014: Acquisition of Agent Alliance Insurance Company
- September 2014: Tower Group Personal Lines transaction closes
- January 2015: Acquisition of Healthcare Solutions Team
- April 2015: Acquisition of Assigned Risk Solutions
- October 2015: Acquisition of certain businesses from Assurant Health
- October 2015: Acquisition of QBE Lender-Placed Insurance
- June 2016: Acquisition of Century National Insurance Company
- October 2016: Acquisition of Standard Property and Casualty Insurance Company (f/k/a Standard Mutual)
- November 2016: Acquisition of Direct General Corporation
- December 2016: Renewal Rights of Nationwide Non-Standard Auto
- January 2017: Acquisition of Quotit® and HealthCompare®
- July 2018: Acquisition of LeadCloud
- June 2019: Acquisition of Syndeste LLC
- August 2019: Acquisition of Farmers Union Insurance

National General Holdings Corp.

National General Holdings Corp.

Investor contacts

Mike Weiner, CFA – Chief Financial Officer,
(212) 380-9492, Mike.Weiner@NGIC.com

Paul Anderson – Director of Investor Relations,
(212) 380-9462, Paul.Anderson@NGIC.com

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National General Holdings Corp.

Ticker (Nasdaq):	NGHC
Covering Analysts:	Randy Binner – B. Riley FBR Capital Markets & Co
	Yaron Kinar – Goldman Sachs
	Matthew Carletti – JMP Securities
	Adam Klauber, CFA – William Blair & Company, L.L.C.
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
	March/April 2015: issuance of $165 mm in 7.50% non-cumulative series B preferred stock
	August 2015: issuance of $100 mm in 7.625% subordinated notes due 2055
	August 2015: follow-on offering of 11.5 mm shares at $19.00 for $211 mm net proceeds
	October 2015: private issuance of $100 mm of 6.75% senior notes due May 15, 2024
	July 2016: issuance of $200 mm in 7.50% non-cumulative series C preferred stock
	November 2018: follow-on offering of 5.75 mm shares at $24.00 for $132.5 mm net proceeds

History of National General prior to independence:

- 1939: Motors Insurance Corporation (MIC) is formed by GMAC
- 1980: MIC starts offering automobile liability insurance to GM employees
- 1991: GMAC purchases National General Insurance Companies and now provides insurance through affinity groups and a broader product offering to GM and GMAC employees
- 1997: GMAC purchases Integon, a publicly traded NC-based insurance group with independent agency distribution in 20 states
- 1999: MIC, National General Insurance and Integon start operating under the GMAC Insurance name
- 2006: GMAC Insurance acquires MEEMIC and GM sells 51% controlling interest in GMAC to a consortium of investors led by Cerberus Capital Management
- 2008: GMAC launches strategic review of insurance operations
- 2010: The group of companies was acquired from GMAC

History of equity issuance

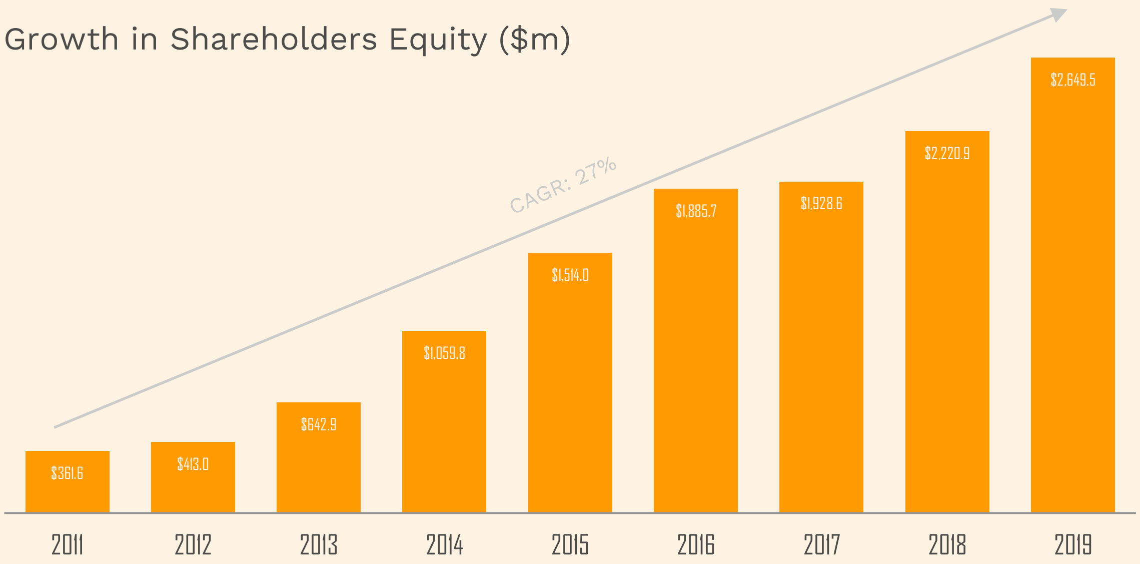
Affiliated Shareholders & Available Floating Shares	Shares (millions)	% of Shares
Karfunkel Family Trusts	46.0	40.6%
June 2013 Equity Issuance	34.2	30.2%
February 2014 Follow-On Equity Issuance	13.6	12.0%
August 2015 Follow-On Equity Issuance	11.5	10.2%
October 2016 Standard Mutual Subscription Rights	0.3	0.3%
November 2018 Follow-On Equity Issuance	5.8	5.1%
Exercised Options/RSUs	1.8	1.6%
Total	**113.2**	**100.0%**

Capital position

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

NGHC Capital Position ($m)	
	December 31, 2019
Shareholders' Equity	$2,649.5
Debt	$686.0
Total Capital	**$3,335.5**
Undrawn amount from $340 LOC	$200.0
Total Available Capital	**$3,535.5**
Debt to Equity Ratio	**25.9%**
Debt to Total Capital Ratio	**20.6%**

Growth in Shareholders Equity ($m)



National General Holdings Corp.

Catastrophe reinsurance

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

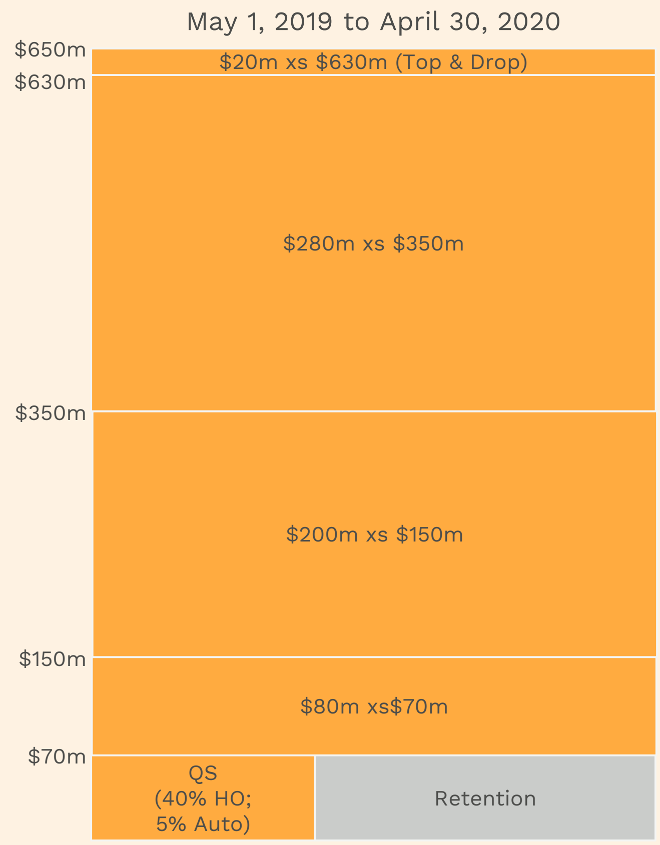
Cover provides protection to the 150 year All Perils (RMS/AIR Blend) return time and to above the 250 year Northeast only Hurricane return time (AIR). The reinsurance tower also has a reinstatement for second event coverage.

Within the $70m retention (first event coverage, second event is $50m retention with the top and drop) are the 40% homeowners' quota share and 10% auto quota share, which inures to the benefit of the company. From January 1, 2020 the auto insurance quota share was reduced to 5%.

The property catastrophe program for the Reciprocal Exchanges, which was effective July 1, 2018, provides $475m of coverage in excess of a $20m per event retention (exposure is reduced further by a 60% quota share arrangement), with one reinstatement.

Our casualty catastrophe program provides $35m of coverage in excess of a $5m retention. For umbrella policies, we have $9m of coverage in excess of $1m retention.

All of which is underwritten by a panel of financially strong reinsurers.



Quota share reinsurance

Effective July 1, 2019, we renewed our auto quota share reinsurance agreement for a term of two years and our home quota share agreement for a term of one year.

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

Auto:

10.0% of net liability under auto policies in force at 7/1/2019 are reinsured. From January 1, 2020 the auto insurance quota share was reduced to 5% of new and renewal policies issued during the remaining term of the arrangement.

31.2% provisional ceding commission, subject to a sliding scale adjustment to a max of 32.8% if the loss ratio is <64.7% or a minimum of 30.0% if the loss ratio is >67.5%.

Reinsurance agreement is with Hannover Re.

Home:

40.0% of net liability for losses occurring on home policies in force at 7/1/2019 and new and renewal policies issued during the term of the arrangement.

37.5% expected weighted average ceding commission for all new, renewal and in-force business during the agreement term. 36.0% ceding commission on new, renewal, and a portion of in-force business with remaining in-force business being run-off under prior agreements.

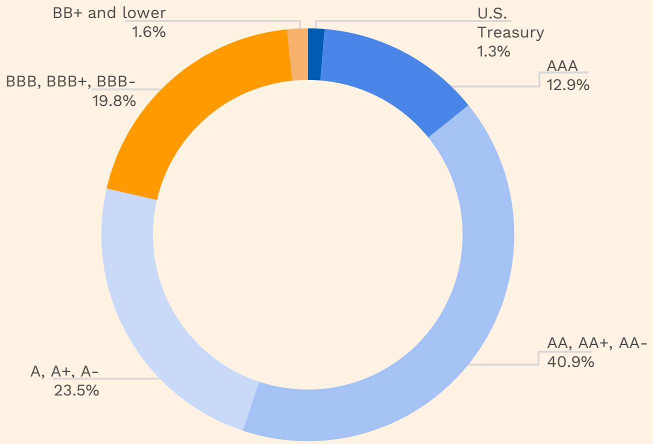
Reinsurance agreement is led by Everest Re and Odyssey Re.

Investments

Composition by asset class
at December 31, 2019

	Total ($m)	Portfolio (%)
Common Stock	$5.3	0.1%
Total Equities	**$5.3**	**0.1%**
Corporate Bonds	$1,916.6	38.2%
Residential MBS	$1277.5	25.5%
Structured Securities	$295.7	5.9%
Municipal Bonds	$301.7	6.0%
Commercial MBS	$612.2	12.2%
Foreign Government	$1.8	0.0%
U.S. Treasuries & Federal Agency	$70.9	1.4%
Total Fixed Maturities	**$4,476.4**	**89.2%**
Subtotal Equities & Fixed Maturities	**$4,481.6**	**89.3%**
Other Maturities		
Cash & Cash Equivalents	$135.9	2.7%
Equity Method Investments	$272.7	5.4%
Other Investments	$33.3	0.7%
Short Term Investments	$67.3	1.3%
Restricted Cash & Cash Equivalents	$28.5	0.6%
Total Investment Portfolio	**$5,019.3**	**100.0%**

Composition by asset class
at December 31, 2019



Fixed Income Portfolio:
(as at December 31, 2019)

Average Yield: 3.1%

Average Duration: 4.2 years

National General Holdings Corp.

Summary income statement

($ thousands)

	Year Ended December 31, 2018			Year Ended December 31, 2019			Three Months Ended December 31, 2019		
	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated	NGHC	Reciprocal Exchanges	Consolidated
Revenues:									
Gross written premium	$ 4,969,517	$ 448,923	$ 5,416,839 (A)	$ 5,135,633	$ 447,447	$ 5,583,080	$ 1,221,772	$ 102,465	$ 1,324,237
Net written premium	3,644,148	183,565	3,827,713	3,990,149	234,472	4,224,621	967,943	62,012	1,029,955
Net earned premium	3,545,441	186,761	3,732,202	3,907,811	210,231	4,118,042	1,008,770	60,826	1,069,596
Ceding commission income	167,948	56,749	224,697	174,952	63,501	238,453	38,085	13,055	51,140
Service and fee income	625,463	5,751	561,583 (B)	705,006	5,755	641,965 (H)	179,276	1,284	165,924 (N)
Net investment income	119,852	8,875	119,034 (C)	142,174	8,638	141,233 (I)	38,491	2,184	38,917 (O)
Net gain (loss) on investments	(26,179)	(3,366)	(29,545)	13,603	(130)	13,473	16,393	707	17,100
Other income	—	—	—	26,428	—	26,428	26,428	—	26,428
Total revenues	**$ 4,432,525**	**$ 254,770**	**$ 4,607,971** (D)	**$ 4,969,974**	**$ 287,995**	**$ 5,179,594** (J)	**$ 1,307,443**	**$ 78,056**	**$ 1,369,105** (P)
Expenses:									
Loss and loss adjustment expense	$ 2,499,508	$ 162,718	$ 2,662,226	$ 2,677,356	$ 177,112	$ 2,854,468	$ 689,262	$ 52,528	$ 741,790
Acquisition costs and other underwriting expenses	693,283	41,983	735,266	782,328	45,039	827,367	199,523	12,710	212,233
General and administrative expenses	923,921	83,756	938,046 (E)	1,024,574	85,994	1,041,772 (K)	278,331	18,352	282,047 (Q)
Interest expense	51,425	9,693	51,425 (F)	51,544	9,579	51,544 (L)	12,722	1,758	12,722 (R)
Total expenses	**$ 4,168,137**	**$ 298,150**	**$ 4,386,963** (G)	**$ 4,535,802**	**$ 317,724**	**$ 4,775,151** (M)	**$ 1,179,838**	**$ 85,348**	**$ 1,248,792** (S)
Income (loss) before provision (benefit) for income taxes	$ 264,388	$ (43,380)	$ 221,008	$ 434,172	$ (29,729)	$ 404,443	$ 127,605	$ (7,292)	$ 120,313
Provision (benefit) for income taxes	57,034	(3,550)	53,484	86,103	(9,090)	77,013	20,324	(4,805)	15,519
Net income (loss) before noncontrolling int. & divs on pref shares	207,354	(39,830)	167,524	348,069	(20,639)	327,430	107,281	(2,487)	104,794
Less: net income (loss) attributable to noncontrolling interest	—	(39,830)	(39,830)	—	(20,639)	(20,639)	—	(2,487)	(2,487)
Net income before dividends on preferred shares	207,354	—	207,354	348,069	—	348,069	107,281	—	107,281
Less: dividends on preferred shares	32,492	—	32,492	33,600	—	33,600	8,925	—	8,925
Net income available to common stockholders	**$ 174,862**	**$ —**	**$ 174,862**	**$ 314,469**	**$ —**	**$ 314,469**	**$ 98,356**	**$ —**	**$ 98,356**

Consolidated column includes eliminations as follows: (A) $(1,601), (B) $(69,631), (C) $(9,693), (D) $(79,324), (E) $(69,631), (F) $(9,693), (G) $(79,324), (H) $(68,796), (I) $(9,579), (J) $(78,375), (K) $(68,796), (L) $(9,579), (M) $(78,375), (N) $(14,636), (O) $(1,758), (P) $(16,394), (Q) $(14,636), (R) $(1,758), and (S) $(16,394).

Balance sheet highlights

($ thousands)

	December 31, 2019				December 31, 2018			
	NGHC	Reciprocal Exchanges	Consolidated		NGHC	Reciprocal Exchanges	Consolidated	
Assets:								
Total investments (2)	$ 4,632,960	$ 329,494	$ 4,854,998	(A)	$ 4,013,699	$ 314,411	$ 4,226,806	(H)
Cash and cash equivalents, including restricted cash	163,480	983	164,463		233,383	200	233,583	
Premiums and other receivables, net	1,373,089	55,859	1,428,948		1,338,485	61,327	1,399,812	
Reinsurance balances (3)	1,745,036	225,019	1,970,055		2,023,911	253,501	2,277,412	
Intangible assets, net	362,598	3,225	365,823		376,532	3,405	379,937	
Goodwill	179,328	—	179,328		180,183	—	180,183	
Other (4)	798,675	29,070	792,919	(B)	739,068	27,879	741,547	(I)
Total assets	**$ 9,255,166**	**$ 643,650**	**$ 9,756,534**	(C)	**$ 8,905,261**	**$ 660,723**	**$ 9,439,280**	(J)
Liabilities:								
Unpaid loss and loss adjustment expense reserves	$ 2,680,628	$ 205,786	$ 2,886,414		$ 2,778,689	$ 178,470	$ 2,957,159	
Unearned premiums and other revenue	2,059,688	252,553	2,312,241		2,014,965	265,763	2,280,728	
Reinsurance payable	527,155	35,689	562,844		615,872	40,393	656,265	
Accounts payable and accrued expenses (5)	306,869	43,323	315,366	(D)	390,338	33,120	398,058	(K)
Debt	686,006	107,456	686,006	(E)	705,795	101,304	705,795	(L)
Other	345,366	30,803	376,169		178,764	61,640	240,404	
Total liabilities	**$ 6,605,712**	**$ 675,610**	**$ 7,139,040**	(F)	**$ 6,684,423**	**$ 680,690**	**$ 7,238,409**	(M)
Stockholders' equity:								
Total stockholders' equity	$ 2,649,454	$ (31,960)	$ 2,617,494		$ 2,220,838	$ (19,967)	$ 2,200,871	
Total liabilities and stockholders' equity	**$ 9,255,166**	**$ 643,650**	**$ 9,756,534**	(G)	**$ 8,905,261**	**$ 660,723**	**$ 9,439,280**	(N)

Consolidated column includes eliminations as follows: (A) $(107,456), (B) $(34,826), (C) $(142,282), (D) $(34,826), (E) $(107,456), (F) $(142,282), (G) $(142,282), (H) $(101,304), (I) $(25,400), (J) $(126,704), (K) $(25,400), (L) $(101,304), (M) $(126,704) and (N) $(126,704).

National General Holdings Corp.

Segment performance

($ thousands)

	December 31, 2019				December 31, 2018			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Gross written premium	$ 4,367,016	$ 768,617	$ 5,135,633	$ 447,447	$ 4,271,408	$ 698,109	$ 4,969,517	$ 448,923
Net written premium	3,329,543	660,606	3,990,149	234,472	3,017,609	626,539	3,644,148	183,565
Net earned premium	3,244,792	663,019	3,907,811	210,231	2,929,028	616,413	3,545,441	186,761
Ceding commission income	164,013	10,939	174,952	63,501	160,945	7,003	167,948	56,749
Service and fee income	455,519	249,487	705,006	5,755	439,483	185,980	625,463	5,751
Total underwriting revenues	**$ 3,864,324**	**$ 923,445**	**$ 4,787,769**	**$ 279,487**	**$ 3,529,456**	**$ 809,396**	**$ 4,338,852**	**$ 249,261**
Loss and loss adjustment expense (A)	2,366,676	310,680	2,677,356	177,112	2,178,163	321,345	2,499,508	162,718
Acquisition costs and other underwriting expenses	559,980	222,348	782,328	45,039	508,557	184,726	693,283	41,983
General and administrative expenses (B)	756,093	254,208	1,010,301	85,994	712,113	201,808	913,921	83,756
Total underwriting expenses	**$ 3,682,749**	**$ 787,236**	**$ 4,469,985**	**$ 308,145**	**$ 3,398,833**	**$ 707,879**	**$ 4,106,712**	**$ 288,457**
Underwriting income (loss)	181,575	136,209	317,784	(28,658)	130,623	101,517	232,140	(39,196)
Non-cash amortization of intangible assets	27,920	6,745	34,665	71	23,960	7,363	31,323	44
Underwriting income (loss) before amort. and impairment	**$ 209,495**	**$ 142,954**	**$ 352,449**	**$ (28,587)**	**$ 154,583**	**$ 108,880**	**$ 263,463**	**$ (39,152)**
Underwriting ratios								
Loss and loss adjustment expense ratio (8)	72.9%	46.9%	68.5%	84.2%	74.4%	52.1%	70.5%	87.1%
Operating expense ratio (Non-GAAP) (9)	21.5%	32.6%	23.4%	29.4%	21.2%	31.4%	23.0%	33.9%
Combined ratio (Non-GAAP) (10)	**94.4%**	**79.5%**	**91.9%**	**113.6%**	**95.6%**	**83.5%**	**93.5%**	**121.0%**
Underwriting ratios (before amortization and impairment)								
Loss and loss adjustment expense ratio (8)	72.9%	46.9%	68.5%	84.2%	74.4%	52.1%	70.5%	87.1%
Operating expense ratio (Non-GAAP) (11)	20.6%	31.6%	22.5%	29.4%	20.4%	30.2%	22.1%	33.8%
Combined ratio before amort. and impairment (Non-GAAP) (12)	**93.5%**	**78.5%**	**91.0%**	**113.6%**	**94.8%**	**82.3%**	**92.6%**	**120.9%**

(A) Loss and loss adjustment expenses for the year ended December 31, 2019 included $46,623 of unfavorable development on prior accident year loss and loss adjustment expense reserves in the P&C segment, and $45,356 of favorable development in the A&H segment, versus $4,760 of favorable development in the P&C segment, and $30,977 of favorable development in the A&H segment for the year ended December 31, 2018.

(B) General and administrative expenses includes expenses allocated to segments only.

National General Holdings Corp.

Operating ratios

($ thousands)

	Year Ended December 31, 2019				Year Ended December 31, 2018			
	P&C	A&H	NGHC	Reciprocal Exchanges	P&C	A&H	NGHC	Reciprocal Exchanges
Total underwriting expenses	$ 3,682,749	$ 787,236	$ 4,469,985	$ 308,145	$ 3,398,833	$ 707,879	$ 4,106,712	$ 288,457
Less: Loss and loss adjustment expense	2,366,676	310,680	2,677,356	177,112	2,178,163	321,345	2,499,508	162,718
Less: Ceding commission income	164,013	10,939	174,952	63,501	160,945	7,003	167,948	56,749
Less: Service and fee income	455,519	249,487	705,006	5,755	439,483	185,980	625,463	5,751
Operating expense	696,541	216,130	912,671	61,777	620,242	193,551	813,793	63,239
Net earned premium	$ 3,244,792	$ 663,019	$ 3,907,811	$ 210,231	$ 2,929,028	$ 616,413	$ 3,545,441	$ 186,761
Operating expense ratio (Non-GAAP) (9)	**21.5%**	**32.6%**	**23.4%**	**29.4%**	**21.2%**	**31.4%**	**23.0%**	**33.9%**
Total underwriting expenses	$ 3,682,749	$ 787,236	$ 4,469,985	$ 308,145	$ 3,398,833	$ 707,879	$ 4,106,712	$ 288,457
Less: Loss and loss adjustment expense	2,366,676	310,680	2,677,356	177,112	2,178,163	321,345	2,499,508	162,718
Less: Ceding commission income	164,013	10,939	174,952	63,501	160,945	7,003	167,948	56,749
Less: Service and fee income	455,519	249,487	705,006	5,755	439,483	185,980	625,463	5,751
Less: Non-cash amortization of intangible assets	27,920	6,745	34,665	71	23,960	7,363	31,323	44
Operating expense before amortization and impairment	668,621	209,385	878,006	61,706	596,282	186,188	782,470	63,195
Net earned premium	**$ 3,244,792**	**$ 663,019**	**$ 3,907,811**	**$ 210,231**	**$ 2,929,028**	**$ 616,413**	**$ 3,545,441**	**$ 186,761**
Operating expense ratio before amort. & impairment (Non-GAAP) (11)	**20.6%**	**31.6%**	**22.5%**	**29.4%**	**20.4%**	**30.2%**	**22.1%**	**33.8%**

National General Holdings Corp.

Company Overview

Property & Casualty

Accident & Health

Strategic Advantages

Appendix

Additional disclosures

1. References to operating earnings and basic and diluted operating earnings per share ("EPS") are non-GAAP financial measures defined by the Company as net income/loss and basic and diluted earnings per share excluding after-tax net gain or loss on investments (including foreign exchange gain or loss), other-than-temporary impairment losses, earnings or losses of equity method investments (related parties), deferred tax asset impairment, non-cash impairment of goodwill and non-cash amortization of intangible assets, and any significant non-recurring or infrequent items that may not be indicative of ongoing operations. The Company believes operating earnings and basic and diluted operating EPS are relevant measures of the Company's profitability because operating earnings and basic and diluted operating EPS contain the components of net income upon which the Company's management has the most influence and excludes factors outside management's direct control and non-recurring items. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this release for the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure.

2. Loss and loss adjustment expense ratio (loss ratio) is calculated by dividing loss and loss adjustment expense by net earned premium.

3. Operating expense ratio is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by dividing operating expense by net earned premium. Operating expense consists of the sum of acquisition and other underwriting costs and general and administrative expenses less ceding commission income, service and fee income and other general and administrative expenses (arbitration award / litigation settlement expense). The ratio is used as an indicator of the Company's efficiency in acquiring and servicing its business.

4. Combined ratio is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio(8) and the operating expense ratio (non-GAAP)(9) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. Management uses operating expense ratio (non-GAAP) and combined ratio (non-GAAP) to evaluate financial performance against historical results and establish targets. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss.

5. Operating expense ratio before amortization and impairment is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by dividing the operating expense before amortization and impairment by net earned premium. Operating expense before amortization and impairment consists of the sum of acquisition and other underwriting costs and general and administrative expenses less ceding commission income, service and fee income and other general and administrative expenses (arbitration award / litigation settlement expense) less non-cash amortization of intangible assets and non-cash impairment of goodwill. The ratio is used as an indicator of the Company's efficiency in acquiring and servicing its business. Management believes that this measure provides a more useful comparison to the operating expense ratio of other insurance companies involved in fewer acquisitions.

6. Combined ratio before amortization and impairment is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio(8) and the operating expense ratio before amortization and impairment (non-GAAP)(11) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. Management believes that this measure of underwriting profitability provides a more useful comparison to the combined ratio of other insurance companies involved in fewer acquisitions. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss.

7. Combined ratio (non-GAAP), operating expense ratio (non-GAAP), combined ratio before amortization and impairment (non-GAAP) and operating expense ratio before amortization and impairment (non-GAAP) are considered non-GAAP financial measures under applicable SEC rules. Other companies may calculate these ratios differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this release for the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure.

8. Trailing twelve month operating return on average equity is the ratio of the previous twelve months operating earnings (non-GAAP) to average shareholders' equity for the same twelve-month period. Average shareholders' equity is the sum of the shareholders' equity excluding preferred stock at the beginning and end of the period divided by two. In the opinion of the Company's management this ratio is an important indicator of how well management creates value for its shareholders through its operating activities and capital management. Other companies may calculate these measures differently, and therefore, their measures may not be comparable to those used by National General. Please see the Non-GAAP Financial Measures table within this release for the reconciliation of net income to operating earnings, which is the Non-GAAP component of the operating return on average equity.

9. Our products in the P&C segment include personal auto, homeowners, RV/Packaged, small business auto, lender-placed insurance and other products. The personal auto product includes policies for standard, preferred and nonstandard automobile insurance. The homeowners product includes multiple-peril policies and personal umbrella coverage to the homeowner. The RV/Packaged product offers policies that include RV automatic personal effects coverage, optional replacement cost coverage, RV storage coverage and full-time liability coverage. The small business auto product offers policies that include liability and physical damage coverage for light-to-medium duty commercial vehicles. The lender-placed insurance product offers fire, home and flood products, as well as collateral protection insurance and guaranteed asset protection products for automobiles. Our products and revenue in the A&H segment include group, individual and third party fees. The group product includes revenue from our small group self-funded product. The individual product line includes revenue from our supplemental products including short-term medical, accident/AD&D, hospital indemnity, cancer/critical illness, dental and term life insurance. Third party fees include commission and general agent fees for selling policies issued by third-party insurance companies, fees generated through selling our technology products to third parties and fees from our international health insurance offerings.

10. Combined ratio is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio(8) and the operating expense ratio (non-GAAP)(9) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. Management uses operating expense ratio (non-GAAP) and combined ratio (non-GAAP) to evaluate financial performance against historical results and establish targets. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss.

11. Operating expense ratio before amortization and impairment is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by dividing the operating expense before amortization and impairment by net earned premium. Operating expense before amortization and impairment consists of the sum of acquisition and other underwriting costs and general and administrative expenses less ceding commission income, service and fee income and other general and administrative expenses (arbitration award / litigation settlement expense) less non-cash amortization of intangible assets and non-cash impairment of goodwill. The ratio is used as an indicator of the Company's efficiency in acquiring and servicing its business. Management believes that this measure provides a more useful comparison to the operating expense ratio of other insurance companies involved in fewer acquisitions.

12. Combined ratio before amortization and impairment is a non-GAAP financial measure defined by the Company, which is commonly used in the insurance industry. The Company calculates the ratio by adding the loss and loss adjustment expense ratio(8) and the operating expense ratio before amortization and impairment (non-GAAP)(11) together. The ratio is used as an indicator of the Company's underwriting discipline, efficiency in acquiring and servicing its business, and overall underwriting profit. Management believes that this measure of underwriting profitability provides a more useful comparison to the combined ratio of other insurance companies involved in fewer acquisitions. A combined ratio under 100% generally indicates an underwriting profit, while over 100% an underwriting loss.

National General Holdings Corp.

National General
Auto, Home & Health Insurance

NatGen PREMIER

Direct AUTO & LIFE INSURANCE

Good Sam Insurance Agency

HealthCompare.

AGENTCUBED

Quotit

Healthcare Solutions Team A Plan for Everyone

AHCP America's Health Care Plan

VELAPOINT INSURANCE

VERA HEALTH

Standard Property & Casualty A National General Insurance Company

IMPERIAL FIRE & CASUALTY INSURANCE COMPANY

Pickle.

SEATTLE SPECIALTY insurance services

ADIRONDACK INSURANCE EXCHANGE

New Jersey Skylands Insurance Auto and Home

CENTURY-NATIONAL INSURANCE COMPANY

NHIC National Health Insurance Company

North Star Marketing NSM

CLEARSIDE General

ARS

RAC INSURANCE PARTNERS LLC

NATIONAL AUTOMOTIVE INSURANCE COMPANY

Mountain Valley Indemnity Company An Adirondack Business