



Investor Presentation
First Quarter 2014

Forward Looking Statements

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

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National General Holdings Corp. (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	\$16.40 (as of close of trading on 5/30/2014)
Market Capitalization	\$1.5 billion
Dividend & Yield	\$0.01 per share quarterly / \$0.04 per share annually (0.2% annual dividend yield)
Average Daily Volume	136,809 shares / \$2.0 million (3 month average daily volume as of 5/30/2014)
Fully Diluted Book Value Per Share	\$9.06 (3/31/2014)
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
Analyst Coverage	<ul style="list-style-type: none"> ▪ <i>Randy Binner</i> – FBR Capital Markets & Co. ▪ <i>Bijan Moazami</i> – Guggenheim 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. (MHLD), and ACP Re, Ltd. – provide significant strategic competitive advantages benefitting us in acquisition capabilities, technology, asset management, and several other operational areas.



- NASDAQ: NGHC - \$1.5 billion market cap
- Personal Lines holding company with P&C and A&H operations
- Legacy GMAC Insurance auto business
- Lead insurance company is Integon National, domiciled in North Carolina
- Significant management ownership aligns with interests of investors
 - Chairman/CEO and family own 48.8% of NGHC
 - AFSI has additional 13.2% common ownership of NGHC



- NASDAQ: AFSI - \$3.2 billion market cap
- Commercial Lines P&C holding company
- Karfunkel Family ownership 59%
- AFSI provides NGHC:
 - IT systems development for a fee
 - Asset management for a fee



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

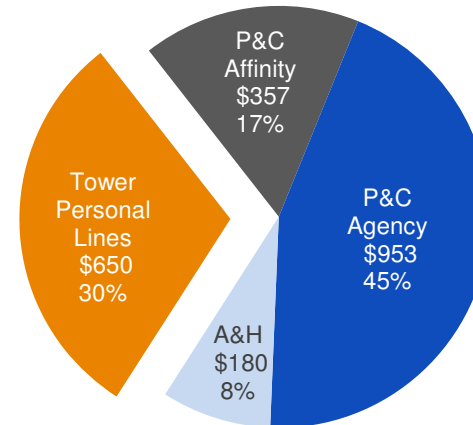
ACP Re, Ltd.

- Privately owned by Karfunkel Family
- Bermuda based Reinsurance company focused on run-off operations
- Acquirer of TWGP legacy business

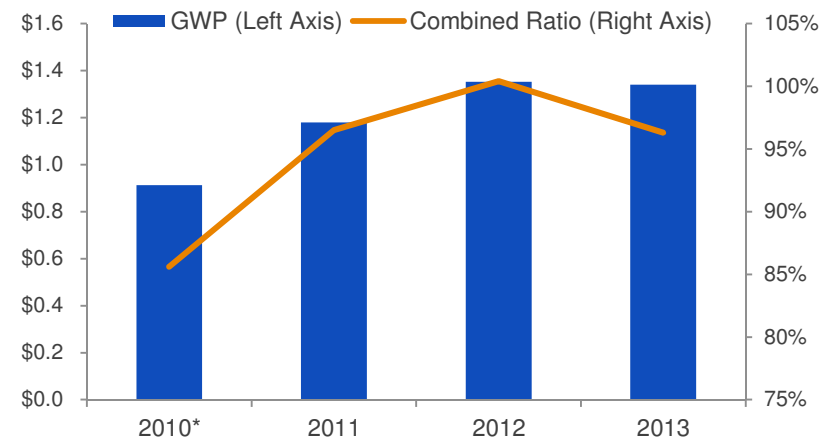
National General Overview

- We are a personal lines insurer who is a top 20 writer of U.S. personal auto insurance and in recent years began building an A&H business from the ground up
- \$1.3 billion of GWP in 2013; pro forma for Tower Personal Lines transaction >\$2 billion GWP and managed premium
- \$855.6 million of shareholders' equity at March 31, 2014; ~\$1.0 billion pro forma total capital at 5/30/2014
- "A-" rating from A.M. Best
- 2,100 employees
- Over 1 million customers
- Over a dozen affinity relationships
- Over 19,000 independent agents & brokers
- Tower Personal Lines transaction (expected to close in Summer 2014):
 - Access to >\$650 million GWP & managed premium
 - Adds homeowners and umbrella product lines and the ability to bundle products to agents/customers
 - Enhances geographic footprint – Tower is a top 10 writer of homeowners in key states including CA, CT, MA, ME, NH, NJ, RI and VT
 - Access to over 1,000 independent agents

2013 Business Mix Pro Forma for Tower Personal Lines



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



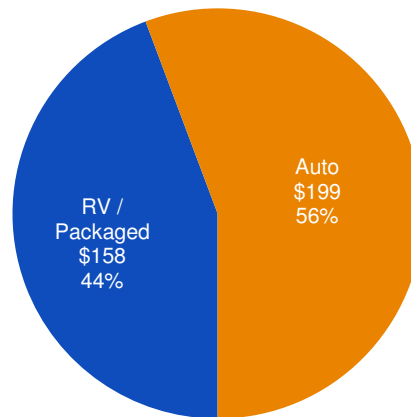
* Period from March 1, 2010 (Inception) to December 31, 2010.

NOTE: Pro Forma Business Mix includes Tower Group total gross written and managed premiums of approximately \$650 million. Pro Forma Business Mix representation is for illustrative purposes only, should not be viewed as a projection of our future product mix, and does not include non-renewals or reinsurance impact on the Tower book.

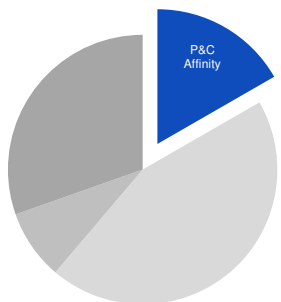
Property & Casualty - Affinity

- **History:** Entered in 1953
- **Geography:** Operates throughout U.S., key states include: MI, CA, FL, TX, and WA
- **Premium Volume:** \$357 million of gross written premium in 2013
- **Distribution:** Direct through more than a dozen long-term affinity relationships (top 10 relationships have been in place for over 10 years)
- **Business Detail:** We offer a customized insurance product and pricing for affinity groups on a white label basis.
 - *Good Sam* – We are one of the top writers of RV coverage in the U.S. via Good Sam, an RV club with over 1 million members, who also operates Camping World. Our exclusive contract runs until Jan 21, 2032.
 - *General Motors & Family First* – We provide coverage for the employees and extended families of General Motors and their subsidiaries through the GM Family First program.
 - *Rural Letter Carriers* – We provide insurance to the National Rural Letter Carriers' Association, a 109 year-old labor union representing over 100,000 American rural letter carriers.

P&C Affinity - \$357 million 2013 GWP



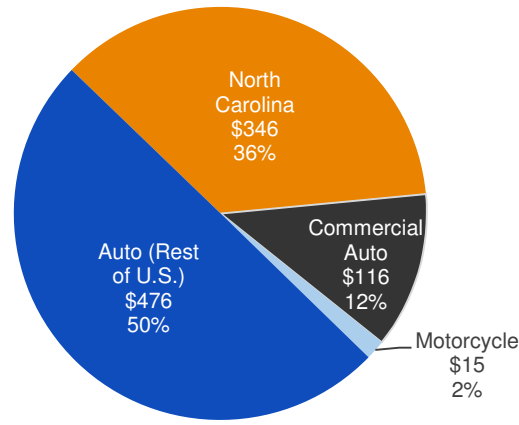
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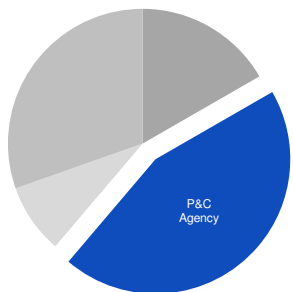
Property & Casualty - Agency

- **History:** Entered in 1939
- **Geography:** Operates throughout U.S., key states include: NC, NY, VA, FL, WA, and CA
- **Premium Volume:** \$953 million of gross written premium in 2013
- **Distribution:** Through more than 19,000 independent agents and brokers
- **Business Detail:** We offer auto insurance for sub-standard, preferred, and standard risks, as well as commercial vehicle and motorcycle insurance
 - *North Carolina* – Through our Integon National subsidiary, we are a top writer of personal auto in North Carolina. The state has a unique “take all comers” market supported by the North Carolina Reinsurance Facility (NCRF), to which we cede roughly 40% of our gross written premium in the state.
 - *Commercial Auto* – These policies include coverage for liability and physical damage caused by light-to-medium duty commercial vehicles, focused on artisan vehicles, with an average of two vehicles per policy
 - *Motorcycle* – We provide coverage for most types of motorcycles, as well as golf carts and all-terrain vehicles

P&C Agency - \$953 million 2013 GWP

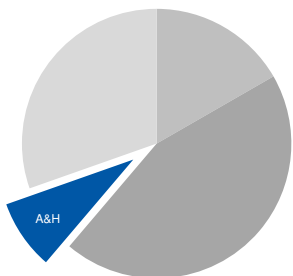
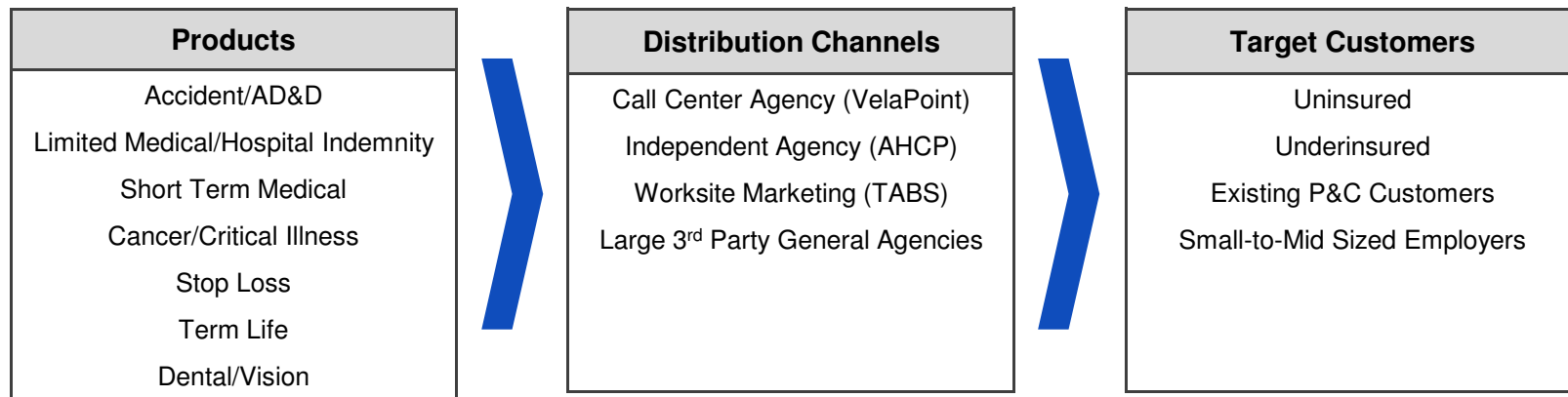


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Accident & Health

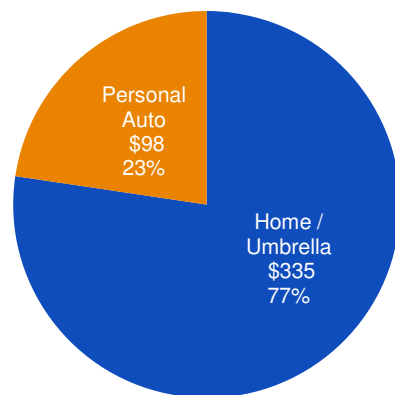
- **History:** Entered in 2012
- **Geography:** Operates in the U.S. and Europe
- **Premium Volume:** \$33.5 million of gross written premium in 2013, with total managed premium of ~\$180 million
- **Distribution:** Numerous distribution channels including call center agency, independent agency, worksite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



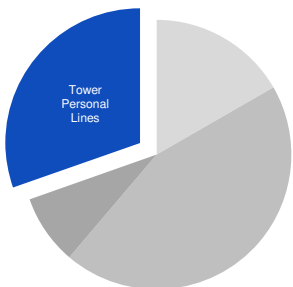
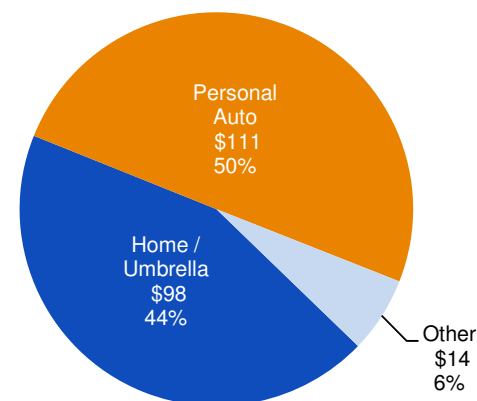
Tower Personal Lines

- **History:** Origins date to late 1800s
- **Geography:** Operates throughout U.S., key states include: CA, CT, MA, ME, NH, NJ, NY, RI, and VT
- **Premium Volume:** ~\$650 mm managed and GWP in 2013
 - Tower wrote \$433.1 million of GWP in homeowners, umbrella, and personal auto in 2013
 - Reciprocal Exchanges (Adirondack Insurance Exchange and New Jersey Skylands Insurance Association) wrote \$223.0 million of GWP in 2013
- **Distribution:** Established relationships with large national insurers to offer homeowners coverage, as well as over 1,000 independent agents
- **Business Detail:** Provides homeowners, personal auto, package and umbrella coverage.
- *Please see "Tower Personal Lines Transaction" slide in appendix on page 36 for additional details.*

Tower - \$433 million 2013 GWP

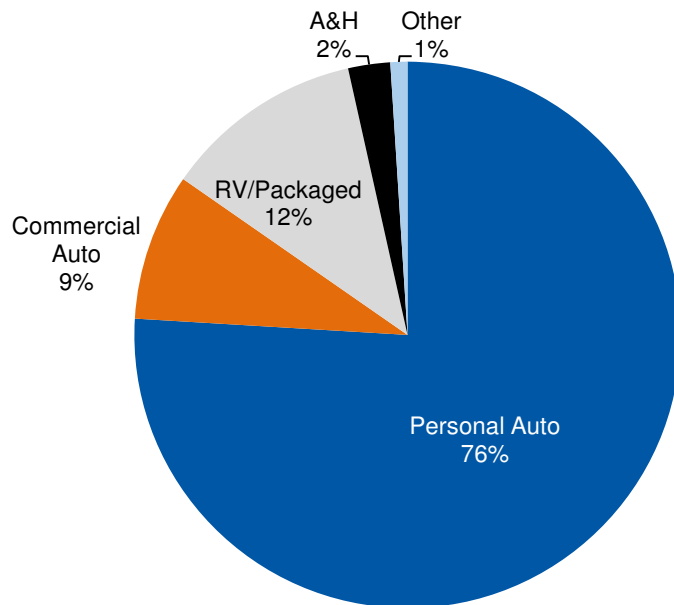


Reciprocals - \$223 million 2013 managed GWP



Product Mix

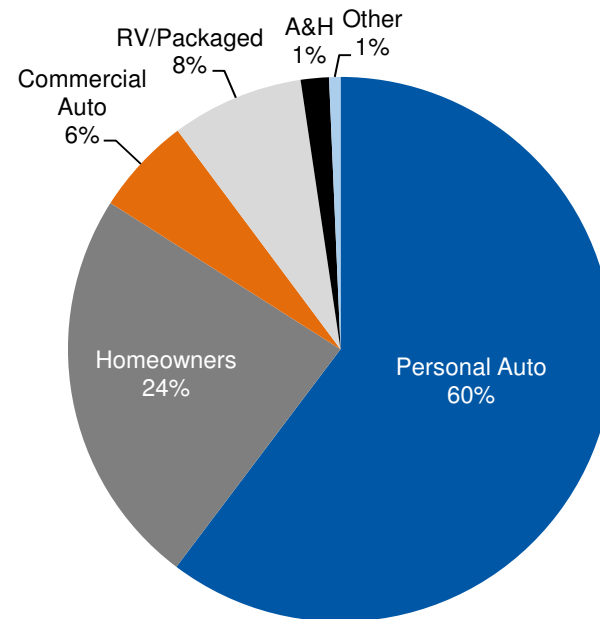
2013 Product Mix



\$1.3 billion GWP

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

2013 Product Mix Pro Forma for Tower Personal Lines

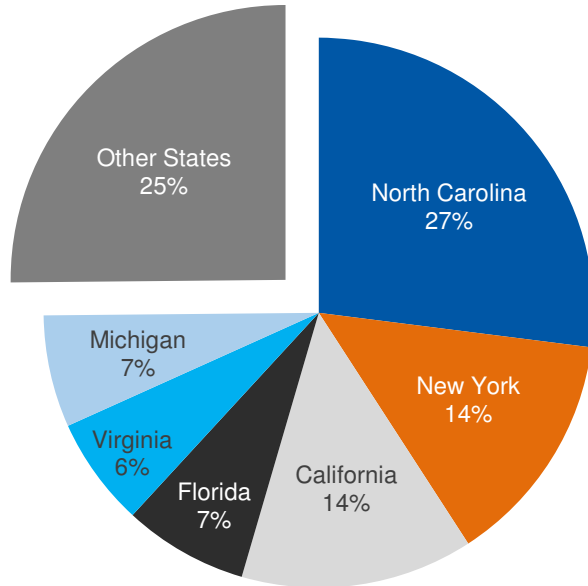


~\$2.0 billion managed & GWP

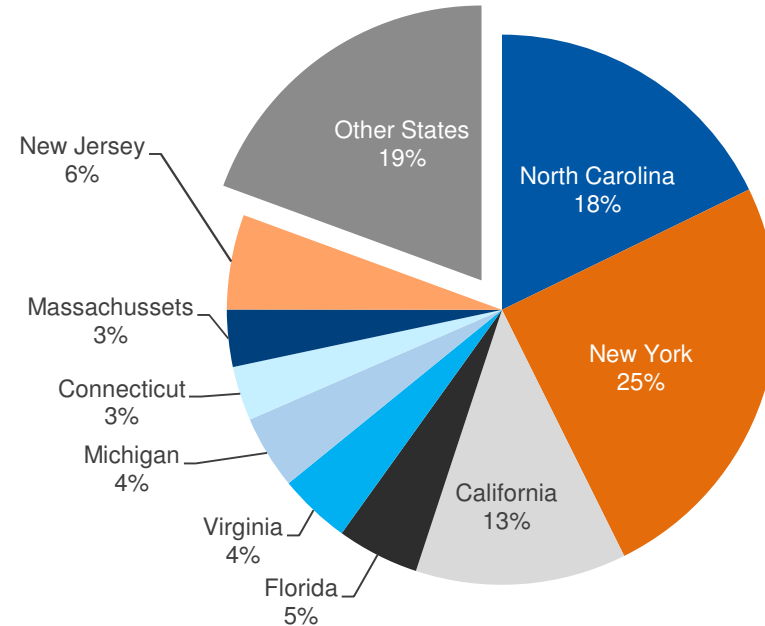
NOTE: Pro Forma Product Mix includes Tower Group total gross written and managed premiums of approximately \$650 million. Pro Forma Product Mix representation is for illustrative purposes only, should not be viewed as a projection of our future product mix, and does not include non-renewals or reinsurance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

Geographic Distribution

2013 Geographic Mix



2013 Geographic Mix Pro Forma for Tower Personal Lines



\$1.3 billion GWP

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

~\$2.0 billion managed & GWP

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

Our Core Strengths & Profitability Drivers

Proven Leadership and Experienced Management Team	<ul style="list-style-type: none"> ▪ Highly experienced and capable management team ▪ History of creating shareholder value in previous ventures
Profitable Underwriting and Expense Management	<ul style="list-style-type: none"> ▪ Focus on specialty markets and niche distribution channels provides greatest opportunity for achieving superior long-term growth and profitability ▪ Sophisticated analytics drives better risk selection and improved margins
Agency Distribution Network and Long-Standing Affinity Partnerships	<ul style="list-style-type: none"> ▪ 19,000 independent agents and brokers ▪ Cost effective distribution ▪ Increases loyalty and enhances relationships
Opportunistic Acquisitions	<ul style="list-style-type: none"> ▪ Acquisitions of carriers with good underwriting and high expenses ▪ Renewal rights transactions and book rolls ▪ New products, distribution, and underwriting teams
Technology Driven Infrastructure	<ul style="list-style-type: none"> ▪ NPS implementation/retirement of legacy systems expected to reduce expense ratio ▪ RAD 5.0 underwriting pricing tool is a competitive advantage ▪ We have made and will continue to make substantial investments in technology
Reduced Reliance on Reinsurance	<ul style="list-style-type: none"> ▪ Run-off of our 50% third-party quota share expected to be complete by late 2014 ▪ This will drive increased retained premium and underwriting income
Fee Income Provides Flexibility	<ul style="list-style-type: none"> ▪ Generate stable fee income to supplement premium income ▪ Increases our capital flexibility ▪ Continued growth expected via A&H expansion and addition of Reciprocal Exchanges
Expanding A&H Segment	<ul style="list-style-type: none"> ▪ Adds value to our customers and agents ▪ Predictable, complementary line of business ▪ Significant market potential
Strong Balance Sheet	<ul style="list-style-type: none"> ▪ Conservative investment portfolio ▪ Stable loss reserves ▪ Strengthened capital position

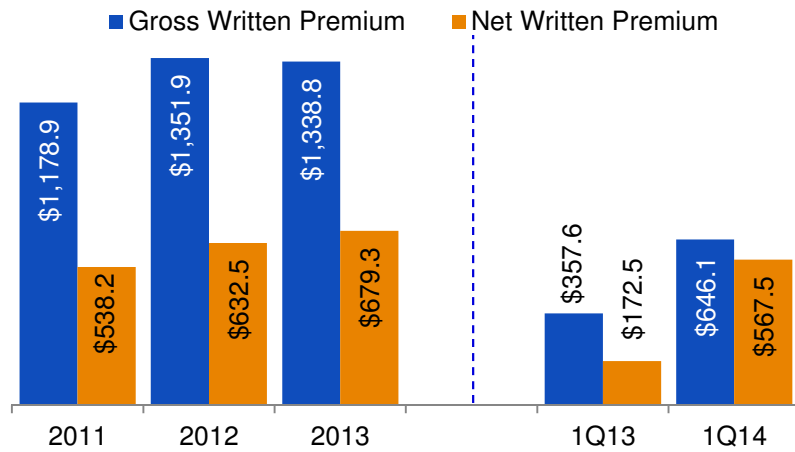
Management Team

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

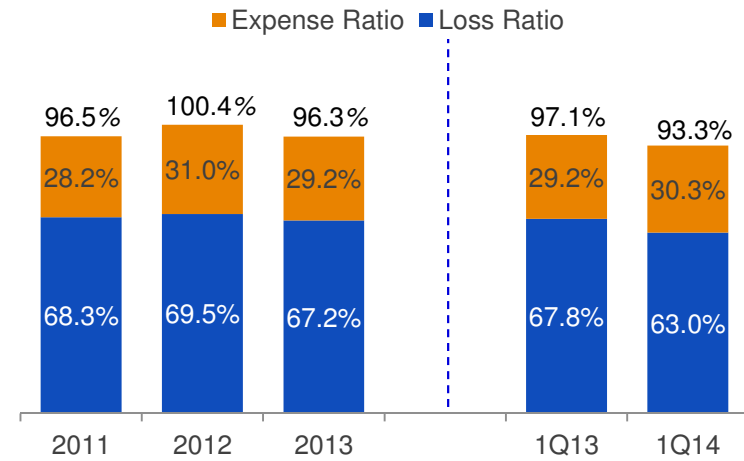
Michael Karfunkel Chairman, Chief Executive Officer	<ul style="list-style-type: none"> ▪ 40+ years experience in the financial services industry ▪ Holds significant interests in insurance, banking and real estate companies ▪ Co-Founder and former Co-Owner/President of American Stock Transfer & Trust Company, Chairman of AmTrust Financial Services (AFSI)
Michael Weiner Chief Financial Officer	<ul style="list-style-type: none"> ▪ 19+ years of experience in the financial services and insurance industry ▪ Joined National General in March 2010 ▪ Previous experience includes: Cerberus, Citigroup, KPMG LLP and Bankers Trust Co.
Byron Storms President – P&C Operations	<ul style="list-style-type: none"> ▪ 22+ years of experience in the personal lines insurance industry ▪ Joined National General in December 2011 ▪ Previous experience includes: Farmers Insurance, Foremost Insurance and Bristol West Insurance
Michael Murphy EVP – A&H Operations	<ul style="list-style-type: none"> ▪ 31+ years of experience in the health insurance industry ▪ Joined National General in December 2012 ▪ Previous experience includes: Coventry Healthcare, United Health Group and CIGNA
Tom Newgarden Chief Product / Analytics Officer	<ul style="list-style-type: none"> ▪ 24+ years of experience in the insurance industry ▪ Joined National General in August 2010 ▪ Previous experience includes: Safeco and AIG
Dave Koegel Chief Actuary	<ul style="list-style-type: none"> ▪ 34+ years of experience in the insurance industry ▪ Joined National General in February 2014 ▪ Previous experience includes: ISO, AIG, American Re, Deloitte & Touche, Imagine Re and AmTrust
Tower Personal Lines Transaction	<ul style="list-style-type: none"> ▪ Expect to retain a substantial number of employees and management when transaction closes (expected in summer 2014)

Focus on Profitable Underwriting (\$ in millions)

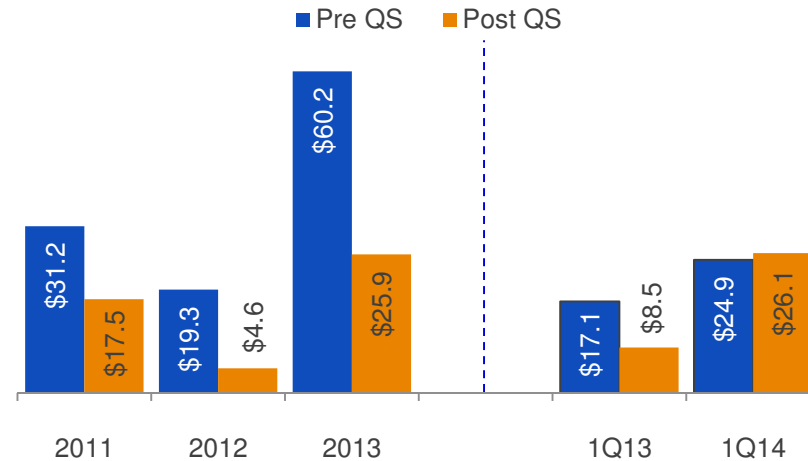
Gross and Net Written Premium



Combined Ratio



Pre/Post Quota Share P&C Underwriting Income



Illustrative ROE Target

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

Near Term Earnings Drivers
Completion of third party quota share run-off
Tower cut-through reinsurance agreement
Integration of Tower personal lines transaction
Real estate cost savings
Legacy system retirement
Increased A&H scale



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%


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

Technology

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

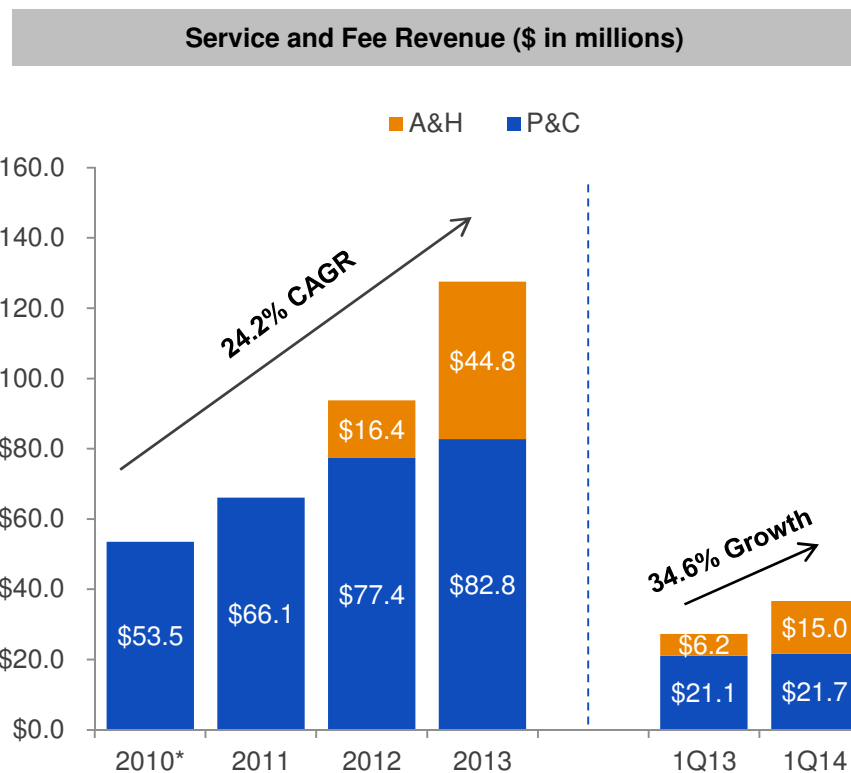
New Policy Administration System (NPS)
<ul style="list-style-type: none"> ▪ NPS is our comprehensive state of the art technology platform which allows for policy quoting, binding, and servicing and will allow agents to more quickly sell our products while providing tools to help them service business and bind more policies with National General. ▪ The system is scalable and will allow for future organic and acquisition growth. ▪ As of today our 3 legacy systems are retired and 100% of our P&C policies are on NPS. ▪ We expect the implementation of NPS and retirement of our legacy systems to result in significant cost savings going forward.

RAD 5.0
<ul style="list-style-type: none"> ▪ RAD 5.0 is an underwriting pricing tool developed by our predictive analytics team that more accurately prices specific risk exposures to assist us in profitably underwriting our P&C products. ▪ RAD 5.0 offers numerous additional components and pricing strategies such as supplemental risk and improved credit modeling, and also facilitates better pricing over the lifetime of a policy by employing lifetime value and elasticity modeling. ▪ We believe that RAD 5.0 provides us with a competitive advantage for pricing our products relative to other auto insurers of our size.

Telematics
<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 <div data-bbox="1436 1149 1835 1240" style="text-align: center;">  </div>

Fee Income

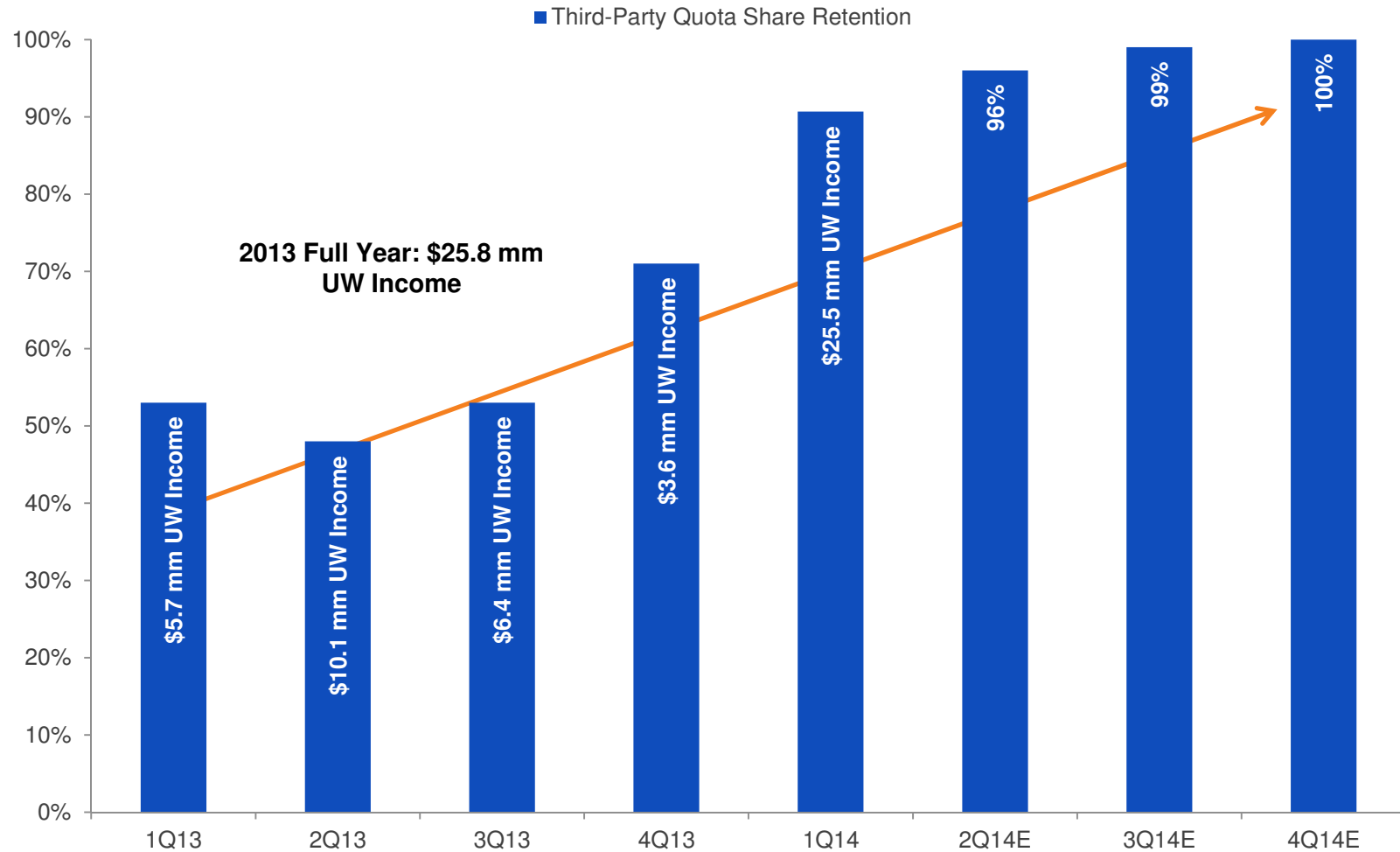
- We generate fee income, which increases our capital flexibility, within both our P&C and A&H segments.
- Our core agency auto states have historically been the primary contributor to fee income, but we expect continued fee growth A&H growth and management of the reciprocal exchanges from the Tower Personal Lines transaction (expected to close Summer 2014).
- *Sources of Fee Income include:*
 - We charge policy service fees (including fees for installment or renewal policies, non-sufficient funds, late payments, cancellations and various financial responsibility filing fees) which are generally designed to offset expenses incurred in the administration of our insurance business (P&C segment).
 - We collect service fees as commissions and general agent fees by selling policies issued by third-party insurance companies, on which we do not bear underwriting risk (both P&C and A&H segments).
 - We expect to generate fee income by charging a fee for managing the reciprocal exchanges which will be included in the Tower Personal Lines transaction (P&C segment).



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

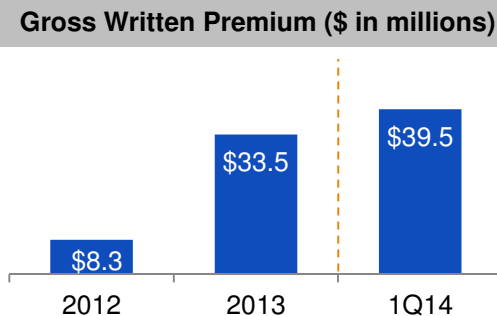
Reduced Reliance on Reinsurance

Termination of our 50% third-party quota share agreement to retain 100% of the GWP will lead to increased retained premium and underwriting income in 2014 and beyond.



A&H Expansion

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



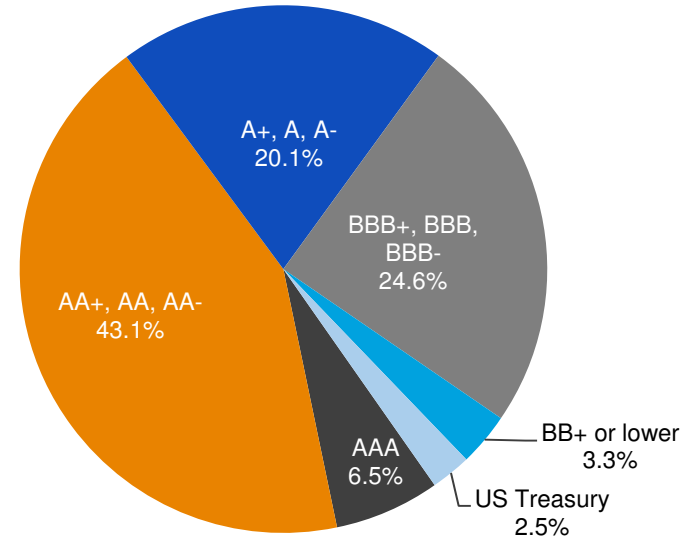
VelaPoint	<ul style="list-style-type: none"> • Acquired in February 2012, VelaPoint is a general agency call center with ~50 licensed agents selling a full range of supplemental medical & individual major medical policies via state/federal exchanges and > 90 carrier relationships. • VelaPoint produced ~\$74 mm of premium for third-parties in 2013. VelaPoint began selling NHIC accident and critical illness products in September 2013, and will be expanding state and product offerings throughout 2014. Once approvals are received, we expect a significant percentage of VelaPoint sales to be written by NHIC.
America's HealthCare Plan (AHCP)	<ul style="list-style-type: none"> • Acquired in February 2012, AHCP is a managing general agent/program manager. • AHCP works with > 8,000 independent agents/general agents across the U.S. to provide an array of insurance products, including those from third-party insurers, and will serve as a significant distributor for NHIC products.
The Associated Benefits Solutions (TABS)	<ul style="list-style-type: none"> • Acquired in September 2012 from the Coca-Cola Bottlers' Association, TABS administers specialty self-insurance arrangements, offering ERISA qualified self-insured plans to employers in affinity associations or trade groups and selling medical stop loss coverage to employers. • TABS wrote approximately \$19 mm of stop loss premium in 2013, and we expect significant growth potential.
National Health Insurance Company (NHIC)	<ul style="list-style-type: none"> • Acquired in November 2012, NHIC is a TX-domiciled life/health insurer established in 1979 licensed in 48 states & DC. • We have filed and are receiving approvals for a significant number of our target A&H insurance products for individuals and groups. To date 564 of 681 initial product filings have been approved by various states.
EuroAccident	<ul style="list-style-type: none"> • Acquired in April 2013, EuroAccident is a Swedish group life and health insurance MGA. • EuroAccident produced ~\$80 million in premiums in 2013 on behalf of third parties. On January 1, 2014, our European insurance subsidiary began reinsuring all business placed by EuroAccident; beginning April 1, 2014, all new and renewal policies will be underwritten by our European subsidiaries on our paper.

Conservative Investment Portfolio

Composition by Asset Class (\$ in millions) at March 31, 2014

	<u>Fair Value</u> <u>3/31/2014</u>	<u>% of</u> <u>Portfolio</u>
<i>Equities</i>		
Preferred Stock	\$4.7	0.3%
Common Stock	1.5	0.1%
<i>Fixed Maturities</i>		
Corporate Bonds	641.8	44.9%
Residential MBS	379.2	26.5%
Municipal Bonds	104.9	7.3%
U.S. Treasuries	29.0	2.0%
Commercial MBS	21.7	1.5%
	<u>1,182.9</u>	<u>82.7%</u>
<i>Other</i>		
Cash & Cash Equivalents	108.4	7.6%
Other Investments	3.2	0.2%
Short Term Investments	0.0	0.0%
Equity in Unconsolidated Subs.	135.8	9.5%
Total Investment Portfolio	\$1,430.3	100.0%

Fixed Income Composition by Ratings at March 31, 2014



Fixed Income Portfolio Key Statistics at March 31, 2014

Average Yield: 3.57%
Average Duration: 6.09 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 47% of carried IBNR as of the most current year end valuation.
- Our reinsurance recoverable position is due from highly rated reinsurers (A- or better with the exception of the MCCA and NCRF, state run facilities which are not rated by A.M. Best).

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

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

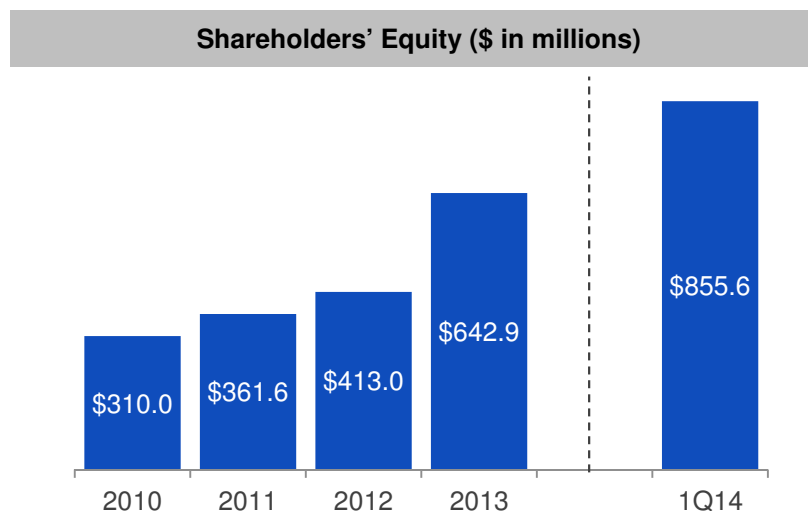
Actuarial Net Loss Reserve Range at 12/31/2013
High: \$333.2
Carried: \$308.4
Midpoint: \$305.5
Low: \$277.8

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

Capital Position

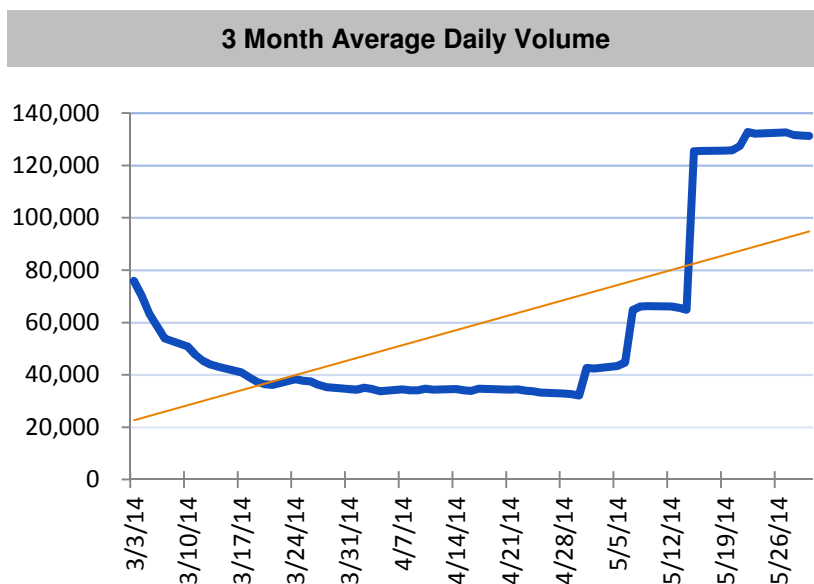
- Total shareholders equity as of March 31, 2014 includes \$178.5 million of net proceeds from our February 2014 144A Private Placement.
- A portion of the new equity raised in the February 144A Private Placement contributed to regulated insurance companies to support 100% retention of business. This reduction of our quota share will create increased retained earnings in 2014 and future years.
- On May 23, 2014, we announced the closing of a private placement of \$250 mm of 6.75% senior notes due on May 15, 2024. Net proceeds of approximately \$245 million will be used to finance the Tower Personal Lines transaction, to repay current debt, for future acquisitions, and for general corporate purposes.
- We retired our debt outstanding as of 3/31/2014 of \$79.9 mm in conjunction with our new debt raise.
- On May 28, 2014, we filed a registration statement for up to \$100 mm of non-cumulative preferred stock.
- On May 30, 2014, we replaced our previous \$90 mm line of credit with a new \$135 mm facility.

Capital Position (\$ in millions)	
Total Equity (as of 3/31/2014)	\$855.6
- Debt Outstanding at 3/31/2014	(\$79.9)
+ 6.75% Senior Notes (closed 5/ 23/2014)	\$250.0
Total Pro Forma Capital	\$1,025.7
Pro Forma Debt to Equity Ratio	29.2%
Pro Forma Debt to Total Capital Ratio	24.4%



Liquidity Improving

- **Average Daily Volume** – 136,809 shares / \$1.97 million (3 month average daily trading volume as of 5/30/2014)
- **Float is Increasing** – On April 30, 2014, the registration statement related to the shares sold in the February 19th follow-on 144A equity offering was declared effective by the SEC. This resulted in an additional 12.8 million shares becoming available to be publicly traded. Combined with the 21.9 million shares from our initial 144A equity offering on June 6, 2013, a total of 34.7 million non-affiliated shares are available to trade publicly, or approximately 38.0% of our 93.3 million current shares outstanding as of March 31, 2014.
- **Potential Russell 2000 Addition** – Russell Investments will release its preliminary list of additions and deletions to indexes on June 13, with the rebalancing occurring on June 27 and the final membership lists posted on June 30. Research from Keefe, Bruyette & Woods predicts the cutoff for the Russell 2000 at a market cap of \$167 million, while Sandler O’Neill & Partners projects a cutoff of \$161.9 million.



Affiliated Shareholders/Available Floating Shares

Holder	Shares (millions)	% of Shares
The Michael Karfunkel 2005 Grantor Retained Annuity Trust (GRAT)	33.0	35.3%
Michael Karfunkel	12.6	13.5%
AmTrust Financial	12.3	13.2%
June 2013 144A Equity Offering	21.9	23.5%
February 2014 144A Follow-On Equity Offering	13.6	14.5%
Total	93.3	100.0%

Investment Opportunity

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

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

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

Companies and Partners of National General



VELAPOINT
personal insurance



*Tower Group Personal Lines transaction expected to close Summer of 2014.

Appendix: Financial Information

Summary Income Statement (\$ in thousands)

	2011	2012	2013	1Q13	1Q14
Revenues:					
Gross written premium	\$1,178,891	\$1,351,925	\$1,338,755	\$357,613	\$646,142
Net written premium	538,236	632,494	679,316	172,516	567,485
Net earned premium	498,210	574,252	688,066	152,156	357,852
Ceding commission income	77,475	89,360	87,100	25,257	5,370
Service, fees, and other income	66,116	93,739	127,541	27,262	36,706
Net investment income	28,355	30,550	30,808	6,473	9,214
Net realized gain/(loss) on investments	4,775	16,612	1,200	1,698	0
Other than temporary impairment losses	0	0	(2,869)	0	0
Other revenue	0	3,728	16	16	7
Total revenues	674,931	808,241	931,862	212,862	409,149
Expenses:					
Loss and loss adjustment expense	340,152	402,686	462,124	103,202	225,347
Acquisition and other underwriting costs	75,191	110,771	134,887	30,210	74,373
General and administrative	208,939	246,644	280,552	66,809	76,199
Interest expense	1,994	1,787	2,042	343	593
Total expenses	626,276	761,888	879,605	200,564	376,512
Pre-Tax Income	48,655	46,353	52,257	12,298	32,637
Provision for income taxes	28,301	12,309	11,140	3,771	7,336
Equity in earnings (loss) of unconsolidated subsic	23,760	(1,338)	1,274	(811)	1,123
Net income	44,114	32,706	42,391	7,716	26,424
Net income attributable to Non Controlling Interes	(14)	-	(82)	(44)	(32)
Net income attributable to NGHC	\$44,100	\$32,706	\$42,309	\$7,672	\$26,392
Operating Earnings (1)		\$26,698	\$46,821	\$8,007	\$27,751
Loss Ratio (2)	68.3%	70.1%	67.2%	67.8%	63.0%
Expense Ratio (3)	28.2%	30.4%	29.2%	29.2%	30.3%
Combined Ratio (4)	96.5%	100.5%	96.3%	97.1%	93.3%

Balance Sheet Highlights *(\$ in thousands)*

	2011	2012	2013	March 31, 2014
Assets				
Cash and investments	\$961,428	\$991,865	\$1,116,707	\$1,429,806
Premiums and other receivables, net	387,558	450,140	449,252	684,064
Deferred acquisition costs	57,719	60,234	60,112	99,093
Reinsurance recoverable on unpaid losses	920,719	991,447	950,828	927,475
Prepaid reinsurance premiums	73,751	54,495	50,878	57,570
Premises and equipment, net	21,371	30,712	29,535	29,562
Goodwill & Intangible assets	77,433	112,935	156,915	165,748
Other assets	24,912	21,495	23,288	28,756
Total Assets	\$2,524,891	\$2,713,323	\$2,837,515	\$3,422,074
Liabilities				
Unpaid loss and loss adjustment expense reserves	\$1,218,412	\$1,286,533	\$1,259,241	\$1,315,479
Unearned premiums & other service revenue	454,397	196,169	476,232	701,515
Reinsurance & accounts payable	113,209	196,169	184,677	301,140
Securities under repurchase	74,026	86,744	109,629	66,993
Notes payable	85,550	70,114	81,142	79,874
Other Liabilities	217,701	464,552	83,727	101,483
Total Liabilities	\$2,163,295	\$2,300,281	\$2,194,648	\$2,566,484
Stockholders' Equity	\$361,596	\$413,042	\$642,867	\$855,590
Total Liabilities and Stockholders' Equity	\$2,524,891	\$2,713,323	\$2,837,515	\$3,422,074

Non-GAAP Reconciliation *(\$ in thousands)*

	Year Ended December 31,		Three-Months Ended March 31,	
	2012	2013	2013	2014
Net income attributable to NGHC	\$32,706	\$42,309	\$7,672	\$26,392
Add (subtract) net of tax:				
Net realized gain (loss) on investments	(10,798)	(780)	(1,104)	0
Other than temporary impairment losses	0	1,865	0	0
Equity in earnings of unconsolidated subsidiaries	870	(828)	527	(730)
Non cash amortization of certain intangible assets	3,920	4,173	912	2,088
Operating earnings attributable to NGHC	\$26,698	\$46,739	\$8,007	\$27,751
Operating earnings per common share:				
Basic operating earnings per common share	\$0.59	\$0.72	\$0.18	\$0.32
Diluted operating earnings per common share	\$0.46	\$0.65	\$0.14	\$0.32

Non-GAAP Financial Measures

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

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

Segment Performance Quarter/Quarter *(\$ in thousands)*

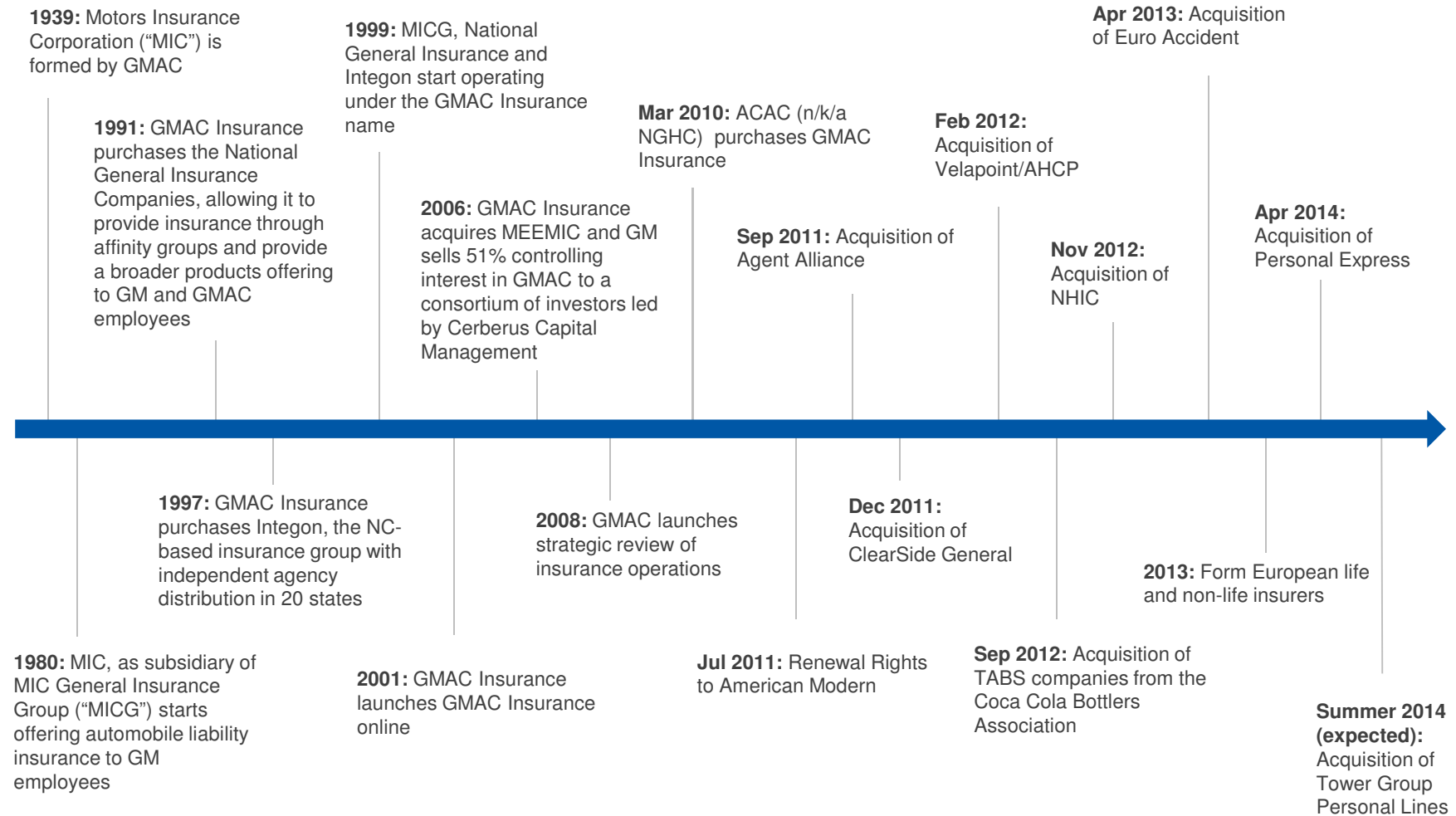
	Three Months Ended March 31,					
	2014			2013		
	P&C	A&H	Total	P&C	A&H	Total
Revenues:						
Gross written premium	\$606,608	\$39,534	\$646,142	\$350,298	\$7,315	\$357,613
Net written premium	527,999	39,486	567,485	165,206	7,310	172,516
Net earned premium	327,220	30,632	357,852	144,847	7,309	152,156
Ceding commission income (primarily related parties)	5,370	0	5,370	25,257	0	25,257
Service, fees, and other income	21,673	15,033	36,706	21,050	6,212	27,262
Total revenue	\$354,263	\$45,665	\$399,928	\$191,154	\$13,521	\$204,675
Expenses:						
Loss and loss adjustment expense	\$209,430	\$15,917	\$225,347	\$95,973	\$7,229	\$103,202
Acquisition costs and other	55,773	18,600	74,373	25,681	4,529	30,210
General and administrative	63,521	12,678	76,199	63,825	2,984	66,809
Total expenses	\$328,724	\$47,195	\$375,919	\$185,479	\$14,742	\$200,221
Underwriting income (loss)	\$25,539	(\$1,530)	\$24,009	\$5,675	(\$1,221)	\$4,454
Underwriting ratios						
Loss Ratio (2)	64.0%	52.0%	63.0%	66.3%	98.9%	67.8%
Expense Ratio (3)	28.2%	53.0%	30.3%	29.8%	17.8%	29.2%
Combined Ratio (4)	92.2%	105.0%	93.3%	96.1%	116.7%	97.1%

Segment Performance Year/Year (\$ in thousands)

	Year Ended December 31,					
	2013			2012		
	P&C	A&H	Total	P&C	A&H	Total
Revenues:						
Gross written premium	\$1,305,254	\$33,501	\$1,338,755	\$1,343,658	\$8,267	\$1,351,925
Net written premium	646,100	33,216	679,316	624,453	8,041	632,494
Net earned premium	654,849	33,217	688,066	566,210	8,042	574,252
Ceding commission income (primarily related parties)	87,100	0	87,100	89,360	0	89,360
Service, fees, and other income	82,752	44,789	127,541	77,373	16,366	93,739
Total revenue	\$824,701	\$78,006	\$902,707	\$732,943	\$24,408	\$757,351
Expenses:						
Loss and loss adjustment expense	\$435,989	\$26,135	\$462,124	\$387,628	\$15,058	\$402,686
Acquisition costs and other	110,509	24,378	134,887	99,699	11,072	110,771
General and administrative	252,345	28,207	280,552	241,046	5,598	246,644
Total expenses	\$798,843	\$78,720	\$877,563	\$728,373	\$31,728	\$760,101
Underwriting income (loss)	\$25,858	(\$714)	\$25,144	\$4,570	(\$7,320)	(\$2,750)
Underwriting ratios						
Loss Ratio (2)	66.6%	78.7%	67.2%	68.5%	187.2%	70.1%
Expense Ratio (3)	29.5%	23.5%	29.2%	30.7%	3.8%	30.4%
Combined Ratio (4)	96.1%	102.1%	96.3%	99.2%	191.0%	100.5%

Appendix: Supplementary Information

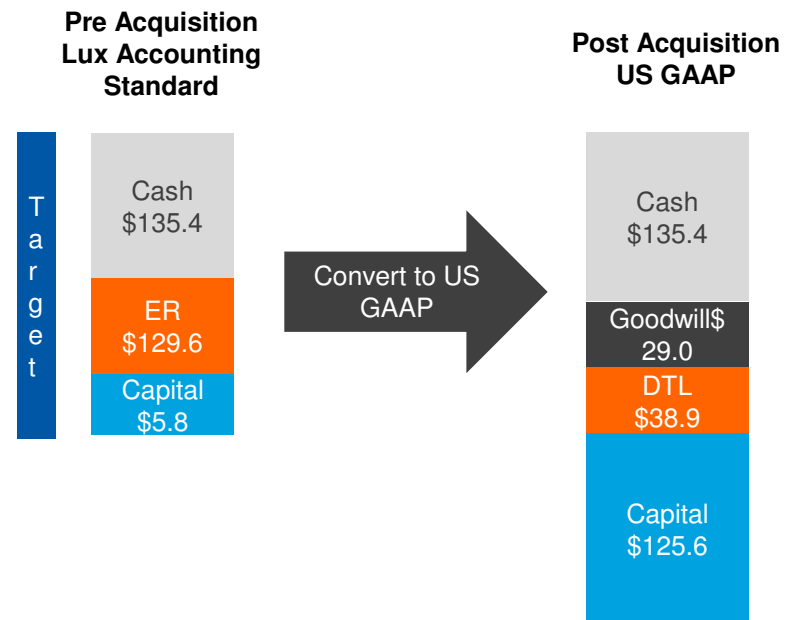
History of Disciplined Growth



Luxembourg Reinsurance Companies

- We have purchased three Luxembourg Reinsurance Companies (LRC) since 2012.
- Purchasing an LRC is not unique to NGHC or AmTrust, and LRC's are not significant to our bottom-line.
- 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 loss ratio from intercompany reinsurance agreements.

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.



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 March 31, 2014, we have a 50% ownership interest in four LSC Entities (Tiger, AMT Alpha, AMTCH and AMTCH II) that hold certain life settlement contracts. The fair value of the contracts owned by the LSC Entities is \$268.2 million; our proportionate interest is \$134.1 million.
- Our investments in LSC entities currently represent 288 policies with a face value of \$1.9 billion as of March 31, 2014.
- The following tables summarize data utilized in estimating the fair value of the portfolio of life insurance policies as of March 31, 2014, as well as the sensitivity of the fair value given an increase/decrease in the life expectancy pertaining to the underlying policies or the discount rate used to determine the fair value of the policies:

(\$ in thousands)	
	March 31, 2014
Average age of insured	80.4 years
Average life expectancy, months ⁽⁵⁾	127
Average face amount per policy	\$6,692
Effective discount rate ⁽⁶⁾	14.4%

(\$ in thousands)	Change in life expectancy	
	Plus 4 Months	Minus 4 Months
Investment in life policies: March 31, 2014	(\$33,032)	\$34,621
	Change in discount rate ⁽⁷⁾	
	Plus 1%	Minus 1%
Investment in life policies: March 31, 2014	(\$22,413)	\$25,228

* For footnotes 5-7, please see Additional Disclosures slide on page 38 of this presentation. See also the additional risk factors and disclosures set forth in our public filings.

Tower Personal Lines Transaction

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



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)
- An up to \$125 million note bearing interest at market rates from ACP Re
- Full backstop, up to \$125 million, by ACP Re of our pro-rata stop loss reinsurance of the Tower book

ACP Re Receives from NGHC:

- \$125 million loan, in the form of a note bearing interest at market rates
- \$125 million of pro-rata stop loss reinsurance
- \$7.5 million of cash for the Attorney-in-Facts that manage the Reciprocal Exchanges
- Ceding commission of 2% on business written on Tower paper

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.

Additional Disclosures

- (1) References to operating earnings and basic and diluted operating EPS are Non-GAAP financial measures defined by the Company as net income and basic earnings per share excluding after-tax net realized investment gain or loss on securities, equity in earnings (losses) of unconsolidated subsidiaries, and non-cash amortization of certain intangible assets. Please see the Non-GAAP Financial Measures slide in this presentation for important information about the use of these Non-GAAP measures and their reconciliation to GAAP.
- (2) Calculated by dividing net loss and loss adjustment expenses by net premiums earned.
- (3) Calculated by dividing general and administrative expenses plus acquisitions costs and other expenses less service, fees, and other income less ceding commission income by net premiums earned.
- (4) Calculated by adding together loss and loss expense ratio and net expense ratio.
- (5) Standard life expectancy as adjusted for specific circumstances.
- (6) Effective Discount Rate ("EDR") is the LSC Entities estimated internal rate of return on its life settlement contract portfolio and is determined from the gross expected cash flows and valuation of the portfolio. The valuation of the portfolio is calculated net of all reserves using a 7.5% discount rate. The EDR is implicit of the reserves and the gross expected cash flows of the portfolio. The LSC Entities anticipate that the EDR's range is between 12.5% and 17.5% and reflects the uncertainty that exists surrounding the information available as of the reporting date. As the accuracy and reliability of information improves (declines), the EDR will decrease (increase).
- (7) Discount rate is a present value calculation that considers legal risk, credit risk and is a component of EDR.



Investor Presentation
First Quarter 2014