

National General Holdings Corp. Announces Agreement to Acquire Personal Lines Policy Administration System

Deal Value: \$200 million

Sandler O'Neill + Partners, L.P. acted as exclusive financial advisor to the Audit Committee of the Board of Directors of National General Holdings Corp. as part of the transaction.

Sandler O'Neill has advised on 32 insurance industry transactions since January 1, 2012, which represents more transactions than any other full-service investment bank during that time period.¹

New York, NY (September 14, 2017) –National General Holdings Corp. (NASDAQ:NGHC) today announced that it has entered into an agreement to acquire its personal lines policy administration system (NPS) and the related intellectual property from AmTrust for a purchase price of \$200 million. The purchase price is payable in three equal installments with the first payment made upon the execution of the Agreement, the second payment payable upon the 6-month anniversary of the Agreement, and the third payment payable upon the later of the completion of the full separation and transfer of the System to National General's operating environment and the 18-month anniversary of the Agreement in accordance with the terms of the Agreement. The Agreement also terminates the existing Master Services Agreement between National General and AmTrust, pursuant to which AmTrust previously developed and licensed the System to National General and under which National General was obligated to pay a licensing fee for use of the System until 2023. National General's licensing fees accrued under the existing Master Services Agreement for the second quarter of 2017 were approximately \$8.5 million (including reciprocal exchanges), which does not include premium from Direct General companies.

National General Chief Executive Officer Barry Karfunkel stated: "I am extremely excited about the acquisition of NPS. NPS has been a driving reason for our success and will further increase our operating leverage as we continue to grow while enhancing our enterprise value. We appreciate the support that AmTrust provided us during our early years, which gave National General the ability to grow into the \$4 billion premium personal lines company with industry leading technological capabilities that we are today. We look forward to welcoming the talented NPS staff that played a critical role in supporting our growth to National General."

About National General Holdings:

National General Holdings Corp., headquartered in New York City, is a specialty personal lines insurance holding company. National General traces its roots to 1939, has a financial strength rating of A- (excellent) from A.M. Best, and provides personal and commercial automobile, homeowners, umbrella, recreational vehicle, motorcycle, supplemental health, and other niche insurance products.

(1) Source: SNL Financial. Full service investment banks defined as those with an average disclosed deal value of \$25 million or greater. Excludes terminated transactions, self-advisory roles and managed care insurance transactions.

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