

UNITED INSURANCE HOLDINGS CORP.

Form FWP

November 30, 2012

United Insurance Holdings Corp.

Follow-On Roadshow

November 2012

Filed Pursuant to Rule 433

Issuer Free Writing Prospectus dated November 30, 2012

Relating to Preliminary Prospectus dated November 29, 2012  
Registration Statement No. 333-184555

2  
Cautionary Statements  
The  
issuer  
has  
filed  
a

registration  
statement  
(including  
a  
prospectus)  
with  
the  
SEC  
for  
the  
offering  
to  
which  
this  
communication  
relates.  
Before  
you  
invest,  
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in  
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registration  
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documents  
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filed  
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information  
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issuer  
and  
this  
offering.  
You  
may

get  
these  
documents  
for  
free  
by  
visiting  
EDGAR  
on  
the  
SEC  
Web  
site  
at  
[www.sec.gov](http://www.sec.gov).  
Alternatively,  
the  
issuer,  
any  
underwriter  
or  
any  
dealer  
participating  
in  
the  
offering  
will  
arrange  
to  
send  
you  
the  
prospectus  
if  
you  
request  
it  
by  
calling  
toll-free  
1-800-248-8863.  
This  
prospectus  
is  
available  
at  
<http://www.sec.gov/Archives/edgar/data/1401521/000119312512484392/d420389ds1a.htm> .  
Statements  
in

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presentation  
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are  
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historical  
facts  
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forward-looking  
statements  
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risks  
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estimate,  
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comparable  
terminology  
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identify  
forward-looking  
statements.  
The  
forward-looking  
statements  
in  
this  
presentation  
include  
statements  
regarding  
the  
completion  
of  
the  
proposed  
public  
offering,  
participation  
of  
selling  
stockholders  
in  
the  
offering,  
participation  
of  
directors  
and  
employees  
in  
the  
directed  
share

program,  
listing  
of  
the  
Company's  
common  
stock  
on  
NASDAQ  
and  
other  
statements  
regarding  
Company's  
or  
management's  
plans,  
objectives,  
goals,  
strategies,  
expectations,  
estimates,  
beliefs  
or  
projections,  
or  
any  
other  
statements  
concerning  
future  
performance  
or  
events.  
The  
risks  
and  
uncertainties  
that  
could  
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actual  
results  
to  
differ  
from  
those  
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or



implied  
herein  
include,  
without  
limitation,  
the  
success  
of  
the  
Company's  
marketing  
initiatives,  
inflation  
and  
other  
changes  
in  
economic  
conditions  
(including  
changes  
in  
interest  
rates  
and  
financial  
markets);  
the  
impact  
of  
new  
regulations  
adopted  
in  
the  
states  
in  
which  
we  
do  
business  
which  
affect  
the  
property  
and  
casualty  
insurance  
market;  
the

costs  
of  
reinsurance  
and  
the  
collectability  
of  
reinsurance,  
assessments  
charged  
by  
various  
governmental  
agencies;  
pricing  
competition  
and  
other  
initiatives  
by  
competitors;  
or  
ability  
to  
obtain  
regulatory  
approval  
for  
requested  
rate  
changes,  
and  
the  
timing  
thereof;  
legislative  
and  
regulatory  
developments;  
the  
outcome  
of  
litigation  
pending  
against  
us,  
including  
the  
terms  
of

any  
settlements;  
risks  
related  
to  
the  
nature  
of  
our  
business;  
dependence  
on  
investment  
income  
and  
the  
composition  
of  
our  
investment  
portfolio;  
the  
adequacy  
of  
our  
liability  
for  
loss  
and  
loss  
adjustment  
expense;  
insurance  
agents;  
claims  
experience;  
ratings  
by  
industry  
services;  
catastrophe  
losses;  
reliance  
on  
key  
personnel;  
weather  
conditions  
(including  
the

severity  
and  
frequency  
of  
storms,  
hurricanes,  
tornadoes  
and  
hail);  
changes  
in  
loss  
trends;  
acts  
of  
war  
and  
terrorist  
activities;  
court  
decisions  
and  
trends  
in  
litigation;  
and  
other  
matters  
described  
from  
time  
to  
time  
by  
us  
in  
our  
filings  
with  
the  
SEC,  
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to,  
the  
risks  
and  
uncertainties

described  
under  
Risk  
Factors  
in  
the  
Company's  
Registration  
Statement  
filed  
November  
29,  
2012.

In  
addition,  
investors  
should  
be  
aware  
that  
generally  
accepted  
accounting  
principles  
prescribe  
when  
a  
company  
may  
reserve  
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particular  
risks,  
including  
litigation  
exposures.  
Accordingly,  
results  
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period  
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is  
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contingency.  
Reported  
results  
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periods.  
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is  
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of  
September  
30,  
2012  
and  
the  
forward-looking  
statements  
made  
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this  
presentation  
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the  
date  
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presentation.

The  
Company  
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forward-looking  
statement,  
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result  
of  
new  
information,  
additional  
or  
subsequent  
developments  
or  
otherwise.

3

Offering Size

5,000,000 primary shares and 300,075 secondary shares

Approximately \$30 million at recent share price

Last Trade

\$5.38

as



of  
November  
27  
th

,

2012

Type

Follow-on public offering of common stock

Over-Allotment

15% (Primary)

Exchange

and

Symbol

Currently traded on OTCBB under UIHC

Concurrent with this offering, United will list on the NASDAQ Capital

Market under UIHC

Use of Proceeds

General corporate purposes including statutory capital in support of  
growth

Expected Pricing Date

Week

of

December

10

th

,

2012

(1)

Source: SNL Financial LC

Offering Summary

(1)



4

Directed Share Program

Estimated

Shares

Shares to be

Pro Forma

Participants

Currently Owned

Purchased

Shares Owned

Greg Branch

1,527,530

263,488

1,791,018

Alec Poitevint

355,938

61,397

417,335

Kent Whittemore

221,009

38,123

259,132

Bill Hood

208,542

35,972

244,514

Kern Davis

204,152

35,215

239,367

John Forney

91,629

15,805

107,434

Employees

NA

50,000

NA

Total

2,608,800

500,000

3,058,800

United Directors and Employees expect to purchase the maximum amount, 10%, of primary shares sold in this offering

Certain

United

shareholders

associated

with

the

formation

of

FMG

Acquisition

Corp

in

May 2007 have elected to exercise piggyback registration rights to sell a portion of their shares in this offering

Selling Shareholders

Shares

Shares to be

Pro Forma

Participants

Currently Owned

Sold

Shares Owned

FMG Investors LLC

932,231

233,058

699,173

John Petry

31,339

31,339

-

David Sturgess

17,839

17,839

-

Thomas Sargent

17,839

17,839

-

Total

999,248

300,075

699,173

Directed Share Program and Selling Shareholders

5  
Compelling  
Market  
Opportunity  
Strong  
Financial  
Performance

Superior  
Insurance  
Capabilities  
Exceptional  
Management  
Team  
Attractive  
Valuation  
UIHC Investment Highlights

6  
Gregory C. Branch  
Chairman

Chairman of United since inception in 1999

Former Chairman of Summit Holding Southeast, Inc.



Prior Member of Lloyd's of London for over 20 years

President/Owner,  
Branch  
Properties

Parent  
company  
of  
Seminole  
Feed  
John L. Forney  
CEO

Joined United in June 2012

Former  
Managing  
Director,  
Raymond  
James

Advised  
state  
government  
agencies  
in  
Florida,  
California,  
Texas and Louisiana on property catastrophe risks

Advised major national industry consortium led by State Farm and  
Allstate on issues relating to managing  
residential natural catastrophe risk  
B. Bradford Martz  
CFO

Joined United in September 2012

Former  
CFO/CAO,  
Bankers  
Financial  
Corporation

FL-based  
P&C  
insurance  
holding

company  
that  
insures  
across multiple lines and states with approximately \$700 million  
in assets and \$350 million of premiums

Former  
Managing  
Partner,  
Lake,  
Martz  
&  
Company,  
P.A.

Regional  
accounting  
firm  
Melvin A. Russell, Jr.  
President of UPC

Joined United at its inception in 1999

Prior positions: Chief Underwriting Officer, SVP and Secretary

35+ years of experience in the P&C market; 23+ years in the Florida insurance market

Prior experience in both commercial and personal lines underwriting, as well as in management with two  
large, national carriers

Jay Williams  
VP of Marketing

Joined United in July 2012

Former  
Managing  
Director,  
FAIA  
Member  
Services

For-profit  
subsidiary  
of  
the  
Florida  
Association  
of  
Insurance Agents

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33+ years of insurance experience; served in various new business development and marketing roles for a number of FL-based insurance agencies including Bankers Financial Corporation

John Langowski  
VP of Claims

Joined United in October 2012

Former  
VP  
and  
Chief  
Claims  
Officer,  
Cypress  
Insurance  
Group

FL-based  
homeowners  
and  
business  
insurer with over 100,000 policies in-force

Former Regional Director of Claims, Farmers Insurance Group

22+ years of industry-related experience; 10+ years spent at Fortune 100 companies specializing in P&C insurance

Exceptional Management Team

7

An insurance holding company that sources, writes and services residential property and casualty insurance policies using a network of independent agents and a group of wholly-owned insurance subsidiaries.

UIHC is ..

8

Focused strategy

Opportunity  
is  
homeowners

market  
in  
wind-exposed  
areas  
from  
Texas  
to  
Maine

Well established relationships with distribution channels

Total active network includes approximately 2,000 agents

Key strategic relationships: FAIA and Allstate

Strong and careful underwriting

Zip code level analysis of individual policies to optimize premium vs. PML

Avoided sinkhole problems that have plagued Florida companies

Experienced claims management

Adjusters (all in-house) average over 10 years experience

Conservative reinsurance program

Buy to 1-100 years loss and multiple event coverage

Successfully managed catastrophe risk since 1999

Maintained  
profitability  
through  
unprecedented  
storm  
activity  
of  
2004  
&  
2005

Business Overview

9

(1)

Policy numbers exclude flood line of business

Data as of September 30, 2012

Premium In-Force by

Line of Business

Policies In-Force

Total policies in-force: 124,496

(1)

Total premium in-force: \$241,956

UIHC

What and Where We Write

8%

3%

2%

Florida

South Carolina

Massachusetts

Rhode Island

91%

5%

4%

Homeowners

Fire

Flood

88%



10

UIHC Has a Successful Operating History

United has been profitable in all but one of its thirteen years of operations and is well-positioned to grow rapidly in Florida and other markets

1999

2002

2004

2005

2008

2009

2010

2011

PHASE 1: 1999-2007

United begins operations in Florida in 1999 and records profits every year, even in the wake of 8 hurricanes in 2004-2005

PHASE 2: 2008-2011

United becomes a public company; growth slows as regulatory and market changes impact Florida, but underlying operations remain strong and expansion outside Florida commences

PHASE 3: 2012-

Growth and profitability resume upward trajectory with revamped Board and management team leading business expansion in Florida and other states

UPC & UIM

formed

with 12,000

policies

Established

in-house

claims

department

United remains

profitable

throughout

unprecedented

storm activity

Hurricanes

Charley

Frances

Ivan

Jeanne

Dennis

Rita

Katrina

Wilma

Wind mitigation

credits and rising

reinsurance rates

affect industry

UIHC becomes

publicly traded in  
FMG acquisition  
9/29/2008  
Expands into  
South Carolina  
Expands into  
Massachusetts  
Approved for  
rate increases,  
currently  
affecting new  
and renewal  
business  
Expands into  
Rhode Island  
2012

11

Source: Insurance Information Institute

\$2-\$3B

\$3-\$4B

\$4-\$5B

\$5-\$10B

\$10-\$20B

\$20B+

TX

\$13.4

LA

\$7.9

MS

\$4.1

AL

\$4.9

SC

\$3.1

NC

\$4.1

NJ

\$2.1

MA

\$4.4

NY

\$3.7

FL

\$54.6

100 Year Residential

PML By State

Increased perception of risk and resulting dislocation in property insurance markets creates an opportunity to establish a successful and defensible market position for UIHC

FAIR/Beach Plan Earned Premium as

% of Overall Property Market

(Top 5 States) 2002 vs. 2010

Market Opportunity

0%

2%

4%

6%

8%

10%

12%

14%

16%

Texas (TWIA)

Rhode Island

Louisiana

Massachusetts

Florida

2010

2002

12  
Source: SNL Financial  
UIHC's Percentage of 2011  
Homeowner's Market  
S. Carolina  
Massachusetts  
Rhode Island

UIHC can achieve scale with a diverse book spread across various

states

2.18%

0.65%

0.01%

NA

Market Opportunity

Florida

2011 Homeowner s Market Direct Premiums Written

(Premiums in \$000 s)

13

UIHC is Growing in the Right Way

Not Dependent on Takeouts

from Citizens

Strong independent agent distribution channels

The Right Rate for the Right Risk

Not competing on price for new business



Conservative Risk Metrics

Stringent portfolio optimization process for each policy added

Robust, Comprehensive Reinsurance Program

Buy to one-in-100 year single event plus multiple event coverage

14  
Quality Growth Reflected in Portfolio Metrics  
Total Insured Value and  
Policies In-Force  
Avg. Annual Loss to  
Premium In-Force  
\$ in thousands,

except policy data

Nine Months Ended

Years Ended December 31,

Sept. 30, 2012

2011

2010

2009

Number of Policies In-Force (PIF)

124,496

101,754

80,514

93,022

Growth of PIF

22.4%

26.4%

-13.4%

15.6%

Total Insured Value (TIV)

\$55,325,100

\$46,032,280

\$36,312,297

\$43,846,415

Growth of TIV

20.2%

26.8%

-17.2%

25.3%

Probable Maximum Loss (PML)

\$497,950

\$472,620

\$500,628

\$618,206

Growth of PML

5.4%

-5.6%

-19.0%

11.1%

Note: AAL and PML are modeled using AIR assuming long-term and no demand surge

0

20

40

60

80

100

120

140

\$-

\$10

\$20

\$30

\$40  
\$50  
\$60  
\$70  
2009  
2010  
2011  
2012YTD  
26.6%  
22.4%  
18.5%  
17.2%  
10.0%  
12.0%  
14.0%  
16.0%  
18.0%  
20.0%  
22.0%  
24.0%  
26.0%  
28.0%  
2009  
2010  
2011  
2012YTD

15  
2012 Reinsurance Program

\$103 million cost for

Cover includes a  
diverse and strong

group of 24 separate  
reinsurers

Horizontal and vertical  
coverage: one-in-100  
year single event plus  
multiple event coverage

Total \$552.6M

First Event Coverage  
over \$536 million of  
coverage

Private

Layer 4

(INCR)

\$38,551,403

x

\$150,666,720

Private Layer 5 (Top and Drop)

\$10,000,000 x \$189,218,123

Private Layer 3

\$87,333,392 x \$63,333,328

Company Retention

\$10,000,000

Private Layer 2

\$38,333,328 x \$25,000,000

Private Layer 1 (Prepaid Reinstatement)

\$10,000,000 x \$15,000,000

Florida Hurricane Catastrophe Fund

Mandatory Layer

90% of \$392,334,274 x \$153,332,209

Captive Layer (Prepaid Reinstatement)

\$5,000,000 x \$10,000,000

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UIHC Financial Highlights

Note: AAL and PML are modeled using AIR assuming long-term and no demand surge  
\$ in thousands, except ratios, policy data and per share amounts

YTD

Years Ended December 31,

9/30/2012

2011

2010

2009

Gross Written Premiums

195,385

\$

203,806

\$

158,637

\$

155,840

\$

Net Premiums Earned

87,735

90,080

66,855

78,181

Average Gross Written Premium In-Force per Policy

1,858

1,894

1,878

1,664

Net Income

8,722

\$

8,088

\$

(925)

\$

4,057

\$

Earnings per Share

0.84

0.77

(0.09)

0.38



Dividends per Share

0.05

0.05

0.05

0.15

Total Equity

64,993

\$

54,989

\$

45,293

\$

48,071

\$

Total Statutory Surplus

44,528

48,188

48,495

50,345

Book Value Per Share

6.22

5.31

4.28

4.55

Ratios:

Loss and LAE Ratio (based on GPE)

24.1%

21.5%

27.4%

26.1%

Loss and LAE Ratio (based on NPE)

44.9%

43.1%

63.6%

52.1%

Combined Ratio (based on GPE)

48.4%

45.8%

51.3%

50.5%

Combined Ratio (based on NPE)

90.3%

92.0%

119.1%

101.0%

Other:

Total Insured Value (TIV)

55,325,100

\$

46,032,280

\$

36,312,297

\$

43,846,415

\$

Probable Maximum Loss (PML)

497,950

472,620

500,628

618,206

Number of Policies In-Force (PIF)

124,496

101,800

80,500

93,000

PML to Premium In-Force

2.20x

2.45x

3.31x

3.99x

AAL to Premium In-Force

17.2%

18.5%

22.4%

26.6%

17  
Historical Income Statement  
Historical Underwriting Ratios  
\$ in thousands, except per share data  
For the Nine Months Ended  
September 30,  
For the Years Ended December 31,

2012  
2011  
2011  
2010  
2009  
2008  
2007  
Gross premiums written  
195,385  
\$  
160,337  
\$  
203,806  
\$  
158,637  
\$  
155,840  
\$  
141,556  
\$  
145,050  
\$  
Gross premiums earned  
163,683  
  
131,752  
  
180,837  
  
155,307  
  
156,393  
  
140,223  
  
151,684  
  
Net premiums earned  
87,735  
  
65,267  
  
90,080  
  
66,855  
  
78,181  
  
81,144

85,358

Other revenue

5,604

4,689

6,338

13,136

10,288

19,918

27,243

Total Revenue

93,339

\$

69,956

\$

96,418

\$

79,991

\$

88,469

\$

101,062

\$

112,601

\$

Losses and loss adjustment expenses

39,401

29,399

38,861

42,533

40,755

28,063

25,662

Other operating expenses

39,519

32,024

43,818

36,373

38,210

31,149

31,296

Interest expense

283

453

548

1,767

3,177

2,811

6,078

Total Expenses

79,203

\$

61,876

\$

83,227

\$

80,673

\$

82,142

\$

62,023

\$

63,036

\$

Net Income

8,722

\$

4,863

\$

8,088

\$

(925)

\$  
4,057  
\$  
33,419  
\$  
39,642  
\$  
Earnings Per Common Share  
0.84  
\$  
0.46  
\$  
0.77  
\$  
(0.09)  
\$  
0.38  
\$  
3.08  
\$  
3.37  
\$  
0.0%  
20.0%  
40.0%  
60.0%  
80.0%  
100.0%  
120.0%  
140.0%  
160.0%  
1Q10  
2Q10  
3Q10  
4Q10  
1Q11  
2Q11  
3Q11  
4Q11  
1Q12  
2Q12  
3Q12  
Loss Ratio  
Expense Ratio  
Combined Ratio

18  
Historical Balance Sheet  
Growth of Book Value Per Share  
LTM growth of 24.4%  
\$ in thousands  
As of September 30,  
As of December 31,



2012

2011

2011

2010

2009

2008

2007

Cash and invested assets

219,391

\$

185,583

\$

165,898

\$

126,242

\$

160,110

\$

155,712

\$

170,634

\$

Reinsurance recoverable on paid and unpaid losses

3,013

6,643

4,458

27,304

25,477

22,604

16,816

Prepaid reinsurance premiums

77,774

63,152

40,968

38,307

40,285

26,518

26,345

Total Assets

336,895

\$

286,133

\$

240,215

\$

213,621

\$

247,758

\$

232,065

\$

242,426

\$

Unpaid losses and loss adjustment expenses

35,801

\$

39,857

\$

33,600

\$

47,414

\$

44,112

\$

40,098

\$

36,005

\$

Unearned premiums

131,832

105,746

100,130

77,161

73,831

74,384

73,051

Reinsurance payable

72,679

55,665

16,571

14,982

28,162

16,694

10,852

Notes payable

16,176

17,353

17,059

18,235

41,428

41,303

43,833

Total Liabilities

271,902

\$

234,345

\$

185,226

\$

168,328

\$

199,687

\$

189,138

\$

196,327

\$

Total Stockholders' Equity

64,993

\$

51,788

\$

54,989

\$

45,293

\$  
48,071  
\$  
42,927  
\$  
46,099  
\$  
Statutory Surplus  
44,528  
\$  
47,599  
\$  
48,188  
\$  
48,495  
\$  
50,345  
\$  
54,675  
\$  
51,699  
\$  
\$4.55  
\$4.21  
\$4.27  
\$4.36  
\$4.28  
\$4.39  
\$4.50  
\$5.00  
\$5.31  
\$5.75  
\$6.09  
\$6.22  
\$3.00  
\$3.50  
\$4.00  
\$4.50  
\$5.00  
\$5.50  
\$6.00  
\$6.50  
\$7.00  
\$7.50  
4Q09  
1Q10  
2Q10  
3Q10  
4Q10  
1Q11

2Q11  
3Q11  
4Q11  
1Q12  
2Q12  
3Q12



19

Investment Portfolio

Designed to preserve capital, maximize after-tax investment income, maintain liquidity and minimize risk

As of September 30, 2012, 100% of the Company's fixed maturity portfolio was rated investment grade

Average Duration:

5.1 years

Average S&P Rating:

A

Securities Portfolio

Securities Portfolio

Value

(\$MMs)

%

Cash

90.9

\$

41.4%

Corporate Debt Securities

55.4

25.3%

U.S. Government & Agency Securities

49.6

22.6%

States, Municipalities & Political Subdivisions

19.0

8.7%

Common Stocks

3.5

1.6%

Preferred Stocks

0.7

0.3%

Other Long-Term Investments

0.3

0.1%

219.4

\$

100.0%

Historical Return on Investments

(1)

2008

2009

2010

2011

2012

1 Year

5.99%

5.52%

6.99%

4.21%

5.97%

3 Year

6.17%

5.57%

5.72%

5 Year

5.74%

(1)

Includes investment income and realized and unrealized gains

Data as of September 30, 2012

Cash

\$90.9

41%

Corporates

\$55.4

25%

Gov. &

Agencies

\$49.6

23%

Munis

\$19.0

9%

Stocks

\$3.5

2%

Preferreds

\$0.7

0%

Other

\$0.3

0%





Market

Price /

LTM

Price/

Cap

LTM EPS

ROAE

Book

Ticker

(\$MMs)

(x)

(%)

(%)

Homeowners Choice, Inc.

HCI

208.2

8.1x

28.0

201

Universal Insurance Holdings, Inc.

UVE

173.3

7.8x

15.0

105

Federated National Holding Company

FNHC

42.7

8.6x

8.6

65

United Insurance Holdings Corp.

UIHC

56.2

4.5x

20.2

86

Florida's Publicly-Held Homeowners Insurance Companies

Source:

SNL

Financial

LC;

market

data

as

of

November

27

th

,

2012

21  
Compelling  
Market  
Opportunity  
Strong  
Financial  
Performance

Superior  
Insurance  
Capabilities  
Exceptional  
Management  
Team  
Attractive  
Valuation  
UIHC Investment Highlights