National General Holdings Corp.
Form 424B4
June 19, 2014

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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-196326

PROSPECTUS

2,200,000 Shares

7.50% Non-Cumulative Preferred Stock, Series A

We are offering 2,200,000 shares of our 7.50% Non-Cumulative Preferred Stock, Series A, $25 liquidation preference per share (the Series A Preferred Stock).

Dividends on the Series A Preferred Stock when, as and if declared by our Board of Directors or a duly authorized committee of the Board will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on the 15th day of January, April, July and October of each year (each, a dividend payment date), commencing on October 15, 2014, at an annual rate of 7.50%.

Dividends on the Series A Preferred Stock are not cumulative. Accordingly, in the event dividends are not declared on the Series A Preferred Stock for payment on any dividend payment date, then those dividends will not accumulate and will not be payable. If we have not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends for that dividend period, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.

So long as any Series A Preferred Stock remain outstanding, no dividend shall be paid or declared on our common stock or any of our other securities ranking junior to the Series A Preferred Stock (other than a dividend payable solely in common stock or in such other junior securities), unless the full dividends for the latest completed dividend period on all outstanding Series A Preferred Stock and any parity stock have been declared and paid or provided for.

The Series A Preferred Stock is not redeemable prior to July 15, 2019. On and after that date, the Series A Preferred Stock will be redeemable at our option, for cash, in whole or in part, at a redemption price of $25 per share of Series A Preferred Stock, plus any declared and unpaid dividends on the shares of Series A Preferred Stock called for redemption for prior dividend periods, if any, plus accrued but unpaid dividends (whether or not declared) thereon for the then-current dividend period, to, but excluding, the date of redemption, without accumulation of any other undeclared dividends. See Description of the Series A Preferred Stock Redemption in this prospectus.

The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series A Preferred Stock will not have voting rights, except as set forth under Description of the Series A Preferred Stock Voting Rights in this prospectus.

We have applied to list the Series A Preferred Stock on the NASDAQ Global Market under the symbol NGHCP. If the application is approved, we expect trading to commence within 30 days following the initial issuance of the Series A Preferred Stock.

Investing in the Series A Preferred Stock involves risks. See the section entitled Risk Factors beginning on page 18 of this prospectus, as well as the risks described in the documents incorporated by reference in this prospectus, to read about important factors you should consider before making a decision to invest in the Series A Preferred Stock. The Series A Preferred Stock are not expected to be rated and may be subject to the risks associated with non-investment grade securities.

	Per Share	***Total***
Public offering price (1)	*$ 25.00*	*$ 55,000,000*
Underwriting discounts and commissions (2)	*$ 0.7875*	*$ 1,732,500*
Proceeds, before expenses, to National General Holdings Corp.	*$ 24.2125*	*$ 53,267,500*

(1) Assumes no exercise of the underwriters over-allotment option described below.
(2) We have agreed to reimburse the underwriters for certain of their expenses as described below under Underwriting.

We have granted the underwriters an option to purchase up to an additional 330,000 shares of Series A Preferred Stock within 30 days after the date of this prospectus at the public offering price, less the underwriting discount, solely to cover over-allotments, if any.

Neither the Securities and Exchange Commission (the SEC), any state securities commission or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Series A Preferred Stock in book-entry form only through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, on or about June 25, 2014.

Joint Book-Running Managers

Morgan Stanley *UBS Investment Bank*

Co-Managers

Keefe, Bruyette & Woods
A Stifel Company
William Blair
JMP Securities

The date of this prospectus is June 18, 2014

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CERTAIN IMPORTANT INFORMATION

You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with information that is different from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell, or the solicitation of an offer to buy, any of these securities in any jurisdiction where such an offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus is accurate only as of their respective dates, regardless of the time of delivery of this prospectus or of any sale of these securities. Our business, financial condition, results of operations and prospects may have changed since that date. Information contained on our website, or any other website operated by us, is not part of this prospectus.

This prospectus supplement includes, or incorporates by reference, important information about us, the securities being offered and other information you should know before making a decision to invest in the Series A Preferred Stock. You should read this prospectus supplement, as well as the additional information described under Additional Information; Incorporation by Reference in this prospectus, before making a decision to invest in the Series A Preferred Stock. In particular, you should review the information under the heading Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each of which is incorporated by reference herein.

Frequently Used Terms

In this prospectus, unless the context suggests otherwise:

references to National General, the Company, we, us or our refer to National General Holdings Corp. (formerly known as American Capital Acquisition Corporation) and all of its consolidated subsidiaries; and

references to NGHC refer solely to National General Holdings Corp.

The following terms used in this prospectus have the meanings set forth below:

2013 private placement refers to NGHC s June 6, 2013 issuance and private sale of 21,850,000 shares of its common stock pursuant to Section 4(a)(2) and other exemptions under the Securities Act of 1933, as amended (the Securities Act).

2014 private placement refers to NGHC s February 19, 2014 issuance and private sale of 13,570,000 shares of its common stock pursuant to Section 4(a)(2) and other exemptions under the Securities Act.

private placements refers to the 2013 private placement and the 2014 private placement, collectively.

accident/AD&D refers to insurance coverage that indemnifies or pays a stated benefit to the insured or his/her beneficiary in the event of bodily injury or death due to accidental means (other than natural causes).

incurred but not reported or IBNR refers to reserves for estimated losses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer, including unknown future developments on losses which are known to the insurer or reinsurer.

quota share reinsurance refers to reinsurance under which the insurer (the ceding company) transfers, or cedes, a fixed percentage of liabilities, premium and related losses for each policy covered on a pro rata basis in accordance with the terms and conditions of the relevant agreement. The reinsurer may pay the ceding company a commission, called a ceding commission, on the premiums ceded to compensate the ceding company for various expenses, such as underwriting and policy acquisition expenses, that the ceding company incurs in connection with the ceded business.

stop loss insurance refers to insurance coverage purchased by counterparties to limit their exposure to a predetermined amount under self-insurance medical plans, reinsurance agreements or other insurance plans or agreements.

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PPACA refers to the Patient Protection and Affordable Care Act, the healthcare reform legislation enacted in 2010 that establishes minimum standards for health insurance policies and employer and individual mandates requiring the provision or purchase of health insurance, expands public insurance programs and eliminates certain industry practices such as the denial of coverage due to pre-existing conditions, with the goals of extending coverage to millions of uninsured Americans and lowering health care costs.

All of the trade names and trademarks included in this prospectus are the property of their respective owners.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus, as well as the information incorporated by reference herein, carefully, including, in particular, the Risk Factors section beginning on page 16 of this prospectus, the information under the heading Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014 and the financial statements and related notes included elsewhere in this prospectus and incorporated by reference herein, before making an investment decision.

Overview

We are a specialty personal lines insurance holding company. Through our subsidiaries, we provide personal and commercial automobile insurance, supplemental health insurance products and other niche insurance products. We sell insurance products with a focus on underwriting profitability through a combination of our customized and predictive analytics and our technology driven low cost infrastructure.

Our property and casualty (P&C) insurance products protect our customers against losses due to physical damage to their motor vehicles, bodily injury and liability to others for personal injury or property damage arising out of auto accidents. We offer our P&C insurance products through a network of over 19,000 independent agents, more than a dozen affinity partners and through direct-response marketing programs. We have approximately one million P&C policyholders and, based on 2012 gross premium written, we are the 20th largest private passenger auto insurance carrier in the United States according to financial data compiled by SNL Financial.

We launched our accident and health (A&H) business in 2012 to provide accident and non-major medical health insurance products targeting our existing P&C policyholders and the anticipated emerging market of employed persons who are uninsured or underinsured. We market our and other carriers A&H insurance products through a multi-pronged distribution platform that includes a network of over 8,000 independent agents, direct-to-consumer marketing, wholesaling and worksite marketing. We believe that our A&H business is complementary to our P&C business and should enable us to enhance our relationships with our existing P&C agents, affinity partners and insureds.

Our company (formerly known as American Capital Acquisition Corporation) was formed in 2009 to acquire the private passenger auto business of the U.S. consumer property and casualty insurance segment of General Motors Acceptance Corporation (GMAC, now known as Ally Financial), which operations date back to 1939. We acquired this business on March 1, 2010.

We are licensed to operate in 50 states and the District of Columbia, but focus on underserved niche markets. A significant portion of our insurance, approximately 75% of our P&C premium written, is originated in six core states: North Carolina, New York, California, Florida, Virginia and Michigan. For the years ended December 31, 2013, 2012 and 2011, our gross premium written was $1,339 million, $1,352 million and $1,179 million, net premium written was $679 million, $632 million and $538 million and total consolidated revenues were $932 million, $808 million and $675 million, respectively.

Our wholly owned subsidiaries include twelve regulated domestic insurance companies, of which eleven write primarily P&C insurance and one writes solely A&H insurance. Our insurance subsidiaries have been assigned an A- (Excellent) group rating by A.M. Best Company, Inc. (A.M. Best).

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Business Segments

We are a specialty national carrier with regional focuses. We manage our business through two segments:

Property and Casualty (P&C) Our P&C segment operates its business through two primary distribution channels: agency and affinity. Our agency channel focuses primarily on writing standard and sub-standard auto coverage through our network of over 19,000 independent agents. In our affinity channel, we partner with over a dozen affinity groups and membership organizations to deliver insurance products tailored to the needs of our affinity partners members or customers under our affinity partners brand name or label, which we refer to as selling on a white label basis. A primary focus of a number of our affinity relationships is providing recreational vehicle coverage, of which we believe we are one of the top writers in the U.S.

Accident and Health (A&H) Our A&H segment was formed in 2012 to provide accident and non-major medical health insurance products targeting our existing insureds and the anticipated emerging market of uninsured or underinsured employees. Through six recent acquisitions of both carriers and general agencies, including Velapoint, LLC, our call center general agency, and National Health Insurance Company, a life and health insurance carrier established in 1979, we have assembled a multi-pronged distribution platform that includes direct-to-consumer marketing through our call center agency, selling through independent agents, wholesaling insurance products through large general agencies/program managers and, through our affinity relationships, worksite marketing through employers.

Our Products

We offer a broad range of products through multiple distribution channels. In our P&C segment, products sold consist of:

Standard and preferred automobile insurance. These policies provide coverage designed for drivers with a less risky driving and claims history and are renewed with greater frequency than sub-standard policies.

Sub-standard automobile insurance. These policies are designed for drivers who represent a higher-than-normal level of risk as a result of factors such as their driving record, limited driving experience, claims history or credit history. The premium on these policies is generally higher than those for drivers who qualify for standard or preferred coverage. We also earn policy service fees from these policies.

Recreational vehicle (RV) insurance. Our policies carry RV-specific endorsements tailored to these vehicles, including automatic personal effects coverage, optional replacement cost coverage, RV storage coverage and full-time liability coverage. We also bundle coverage for RVs and passenger cars in a single policy for which the customer is billed on a combined statement.

Commercial automobile insurance. These policies include coverage for liability and physical damage caused by light-to-medium duty commercial vehicles, focused on artisan contractor vehicles, with an average of two vehicles per policy.

Motorcycle insurance. We provide coverage for most types of motorcycles, as well as golf carts and all-terrain vehicles. Our policy coverage offers flexibility to permit the customer to select the type (e.g., liability) and limit of insurance, and to include other risks, such as add-on equipment and towing.

Homeowners insurance. Comprehensive homeowners insurance plans, which we sell on behalf of third-party carriers, include coverage for medical payments, personal liability and temporary living assistance in the event the insured s home is declared uninhabitable. We have not historically retained any underwriting risk on these policies but instead received commission income from these third-party carriers. We historically offered these policies to generate fee income and to provide a service to our

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insureds. Pursuant to the Cut-Through Reinsurance Agreement (defined below), our subsidiary Integon National Insurance Company (Integon National) entered into with several Tower (as defined below) subsidiaries, Integon National has reinsured on a 100% quota share basis with a cut-through endorsement all of Tower s new and renewal personal lines business (including homeowners insurance) and has assumed 100% of Tower s unearned premium reserves with respect to in-force personal lines policies, in each case, net of reinsurance already in effect.

We believe there is a substantial existing and emerging market in the United States for supplemental healthcare products. Our focus in our A&H segment is offering products not covered by the Patient Protection and Affordable Care Act (PPACA) and concentrating on the anticipated emerging market of employed persons who are uninsured or underinsured. PPACA is the healthcare reform legislation enacted in 2010 that establishes minimum standards for health insurance policies and employer and individual mandates requiring the provision or purchase of health insurance, expands public insurance programs and eliminates certain industry practices such as the denial of coverage due to pre-existing conditions, with the goals of extending coverage to millions of uninsured Americans and lowering health care costs. In our A&H segment we provide accident and non-major medical health insurance, such as accident/AD&D, hospital indemnity, short-term medical, cancer/critical illness, stop loss, travel accident/trip cancellation and dental/vision coverages. We intend to utilize our specialty P&C products and distribution channels to increase sales of these A&H products to this target market and enhance our relationships with our existing agents, affinity partners and insureds by being a provider of multiple products. We have filed and have received approvals for a significant number of our target A&H insurance products for individuals and groups.

Our Competitive Strengths

We believe that our product mix, distribution channels and technology systems, coupled with our focus on conservative underwriting, prudent reserving and efficient claims management, provide us with the following competitive strengths:

Concentrate on Niche Markets. We believe that our focus on specialty markets and niche distribution channels provides us with the greatest opportunity for achieving superior long-term growth and profitability. As a specialty national carrier with regional focuses, we concentrate our resources on writing insurance in our core markets in which we are experienced and recognize profitable opportunities. We are also seeking to increase sales of our niche products such as RV insurance and commercial vehicle insurance. Our diversification into the A&H insurance business continues this niche focus by enabling us to sell supplemental healthcare insurance products that are complementary to our existing businesses and customers.

Focus on Profitability, Disciplined Underwriting and Expense Management. We focus on profitability in all functional areas of the Company, from initial underwriting to claims management. We take an analytical approach to underwriting risks and adhere to a conservative reserving philosophy. Our new policy administration system allows for efficient servicing of policies that enables us to reduce operational expense and achieve strong future earning potential. We developed our RAD 5.0 underwriting pricing tool in order to more accurately evaluate specific risk exposures and assist us in profitably underwriting our P&C products. We plan to continue to leverage our strengths in underwriting, reserving, expense management and claims adjudication to further improve our profitability.

New Policy Administration System. During 2012 we launched our new policy administration system for our P&C insurance business to replace our three legacy policy administration systems. Since inception, we have reduced our information technology operating expenses significantly and we expect that we will continue to substantially reduce our information technology, policy sales and service and related back office operating expenses in the future as we fully retire the three legacy systems. We have integrated our new policy administration system across all lines of our P&C business, substantially retired the three legacy systems and significantly incorporated our RAD 5.0 underwriting pricing tool into this system.

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Growth Opportunities. We believe that many of our competitors are running multiple or outdated legacy systems, which can be costly to operate and difficult to replace or upgrade. We designed our new advanced policy administration system specifically for our lines of business. Our scalable technology should afford us the opportunity to acquire companies and books of business that we believe are soundly underwritten but have higher cost structures and to realize increased profits from the expected costs savings from transitioning the acquired business onto our lower cost system.

Extensive Agency Distribution Network. We are committed to the independent agent channel, which has proven to be a cost-effective distribution platform. We distribute our P&C insurance products through a network of over 19,000 independent agents and brokers, and unlike some of our competitors, we do not compete with our independent agents. We believe that our niche products, knowledgeable and responsive customer service staff, superior claims service, competitive commission structure and user-friendly technology platform have created a network of loyal, incentivized and productive agents. We believe that having our new A&H insurance products available to our existing agents will deepen the relationships with many of our existing P&C agents by providing complementary products and additional earning opportunities. We have also recently developed a risk sharing program for agents that will allow selected agents to participate in the underwriting risk on business produced by the agent through an ownership interest in a reinsurance program to which a portion of the business they produce is ceded. We believe this program will increase loyalty and enhance our relationships with the agents who participate in it.

Long-Standing Affinity Partnerships. The affinity distribution channel of our P&C insurance business has been operating since 1953 and is a leader in affinity marketing, relying on best-in-class marketing strategies and analytics to maximize the value of our longstanding affinity relationships. Since acquiring our P&C insurance business in 2010, we have worked to strengthen our affinity relationships, and recently entered into a 20-year extension of our relationship with two of our largest affinity partners. We target affinity partners with strong brands, actively managed mailing lists, high traffic web-sites and an active membership base. New affinity relationships are developed through an in-house sales force as well as through brokers, and are generally long-term in nature. Our affinity channel utilizes a specialized team that continuously refines our analytical tools and predictive modeling capabilities, which helps to influence all aspects of profitability. Our A&H business complements our affinity channel business because we believe that many of the customers of our affinity partners are purchasers of supplemental health insurance products.

Proven Leadership and Experienced Management. We have a highly experienced and capable management team, led by Michael Karfunkel, our chairman and chief executive officer, who is responsible for setting and directing the overall strategy for our company. Mr. Karfunkel has over 40 years of experience in insurance, banking, and real estate, and has been instrumental in founding certain of our affiliated companies, including AmTrust Financial Services, Inc. (AmTrust) and Maiden Holdings, Ltd. (Maiden). Mr. Karfunkel has a successful track record of acquiring businesses and developing high quality service and low cost expense structures. Mr. Karfunkel is a long-term investor in the companies that he has founded. Our management team is further supported by the leadership of our P&C president, Byron Storms, our chief financial officer, Michael Weiner, our executive vice president and chief marketing officer, Barry Karfunkel, our executive vice president strategy and development, Robert Karfunkel, our chief product officer, Thomas Newgarden and our executive vice president A&H, Michael Murphy.

Our Growth Strategies

We intend to continue our profitable growth by focusing on the following strategies:

Continue Growth Through Selective Acquisitions. Since forming the Company in 2009, we have completed 11 acquisitions of insurance companies, agencies or books of business and expanded into the A&H business. Our scalable technology should afford us the opportunity to acquire companies and books of business that we believe are soundly underwritten but have higher cost structures and to realize increased profits from the expected costs savings from transitioning the acquired business onto our lower cost system.

Increase Net Income by Reducing Our Reliance on Reinsurance. Using reinsurance, we have been able to generate a larger premium volume than otherwise would have been possible given the current level of our capital. Historically, we have ceded 50% of our P&C gross premium written and related losses (excluding premium ceded to state-run reinsurance facilities) to our quota share reinsurers. With the net proceeds from the private placements, we will retain more of our written business. Effective August 1, 2013, we terminated our cession of P&C premium to our quota share reinsurers and now retain 100% of such P&C gross premium written and related losses with respect to all new and renewal P&C policies bound after August 1, 2013. We will continue to cede 50% of P&C gross premium written and related losses with respect to policies in effect as of July 31, 2013 to the quota share reinsurers until the expiration of such policies. This retention of our P&C premium will provide us the opportunity to substantially increase our underwriting and investment income, while also increasing our exposure to losses.

Expand A&H Insurance Operations. Our A&H insurance products include products that are alternatives or supplemental to major medical coverage, and are either purchased by the customer directly or through groups and associations. We believe that these supplemental products generally produce attractive loss ratios. We plan to utilize our distribution platform and suite of products to achieve substantial growth in premium revenues. In addition, we believe that our new A&H insurance products will deepen our relationships with many of our existing agents by providing complementary products to our insureds and additional earning opportunities for our P&C agents. Once PPACA becomes fully implemented, we believe that the demand for these products will only increase. While PPACA will likely reduce the number of uninsured Americans, many individuals, smaller employers and families will remain exempt from PPACA s individual and employer mandates under current regulations. In addition, we believe that, due to the high cost of providing health insurance to employees under the new regulations, it is possible that some employers will cease or reduce their health insurance offerings to their employees, which could increase the number of people who are employed yet uninsured or underinsured. We have designed cost-effective products for this population to help fill this gap. In addition, we expect an increase in the demand for self-insured stop loss policies, as self-insured plans covered by ERISA may be exempt from many of the mandates applicable to fully insured plans under PPACA.

Technology-Driven Product Offerings. We focus on profitable product opportunities that allow us to leverage our technology infrastructure. Consistent with this niche, technology-driven focus, we have recently 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 offer lower cost, low mileage products with less exposure.

Our History

Michael Karfunkel, our chairman and chief executive officer, sponsored the formation of our company in 2009 (then known as American Capital Acquisition Corporation) for the purpose of acquiring the P&C insurance business from GMAC. The acquisition included ten insurance companies.

Michael Karfunkel is a successful businessman with over 40 years of experience and significant interests in the financial services industry, including insurance, banking and real estate. Together with his brother, George Karfunkel, he founded, built and managed American Stock Transfer & Trust Company, LLC, one of the largest independent stock transfer agents, which was founded in 1971 and sold in 2008. Mr. Karfunkel has been instrumental in founding certain of our affiliated companies, including AmTrust, where he serves as chairman of

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the board of directors, and Maiden, both of which are publicly traded companies. Mr. Karfunkel has a successful track record of acquiring and efficiently integrating businesses and developing low cost expense structures and is a long-term investor in the companies that he has founded.

At the time of our formation, AmTrust purchased 53,054 shares of our Series A Preferred Stock for approximately $53 million, which shares were converted into 12,295,430 shares of our common stock in connection with a private placement we completed in June 2013. Barry Zyskind, the president and chief executive officer of AmTrust is the son-in-law of Mr. Karfunkel. Mr. Karfunkel and Leah Karfunkel, as sole trustee of The Michael Karfunkel 2005 Grantor Retained Annuity Trust (the Karfunkel Trust), beneficially own 24.3% of the outstanding common stock of AmTrust. The shares of common stock held by Mr. Karfunkel, Leah Karfunkel, as sole trustee of the Karfunkel Trust, and AmTrust currently represent approximately 13.5%, 35.3% and 13.2%, respectively, of our outstanding shares of common stock.

Since acquiring our P&C insurance business from GMAC, our principal accomplishments include:

- developing and implementing an advanced policy administration system to replace three costly legacy systems;
- developing our new RAD 5.0 underwriting pricing tool, which allows us to more accurately evaluate specific risk exposures in order to assist us in profitably underwriting our P&C products;
- renewing two of our largest affinity customer relationships for an additional 20 years;
- transitioning a portion of our operations to our newly purchased regional operations center in Cleveland, Ohio, which we expect will result in additional operational efficiencies;
- completing ten acquisitions of insurance companies, agencies or books of business and diversifying our insurance business by entering the A&H market to better serve our existing clients and enhance our relationships with our independent agents and affinity partners;
- entering into an arrangement with a managing general agency that has developed vehicle telematics technology that monitors miles driven and other driver behavior, enabling us to offer lower cost, profitable low mileage products; and
- successfully completing the private placements and listing of our common stock on the NASDAQ Global Market.

Our Challenges and Risks

Our company and our business are subject to numerous risks. As part of your evaluation of our business, you should consider the challenges and risks we face in implementing our business strategies, as described in the section of this prospectus entitled Risk Factors and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013 and in Part II, Item 1A of our Quarterly Report on Form 10-Q for the three months ended March 31, 2014.

Underwriting and pricing risk. To be profitable, we must accurately underwrite risk at the time we issue our policies and we must set our premium rates at levels that are profitable but also competitive in the market. If we fail to accurately assess the risks we insure or set premium rates too low, our premiums may not cover our losses and expenses. If our premium rates are too high, we may lose business to our competitors.

Loss reserves. We maintain loss reserves representing our best estimate of the amounts we will ultimately pay on incurred claims. There is inherent uncertainty in establishing appropriate loss reserves. If we fail to maintain loss reserves that are sufficient to meet our obligations, we will be forced to immediately recognize the unfavorable development and increase our reserves, each of which could significantly adversely affect our financial performance.

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Competition. Both the private passenger automobile insurance industry and the A&H insurance industry are highly competitive. In each of these markets, we compete with both large national insurance carriers and smaller regional companies. Some of our competitors are significantly larger than we are and have more resources than we do. Smaller or more specialized insurance carriers may be better able to focus on a market or region in which we are a participant. We must therefore deliver superior service and maintain our relationships with independent agents and affinity groups to be successful. If we are unable to do so, our business will suffer.

Sub-standard auto insurance market. A significant percentage of our business is in the sub-standard private passenger automobile insurance market. As a result, developments which adversely affect this market and the consumers making up this market may have a disproportionate effect on our business when compared with a more diversified auto insurance carrier.

Recent Developments

On April 1, 2014, we acquired Personal Express Insurance Company (Personal Express), a California domiciled personal auto and home insurer from Sequoia Insurance Company, an affiliate of AmTrust. The purchase price was approximately $22 million, subject to certain adjustments. Personal Express had approximately $15 million of direct written premium in 2013.

On January 3, 2014, ACP Re, Ltd. (ACP Re), a Bermuda reinsurer that is a subsidiary of the Karfunkel Trust, entered into a merger agreement (the Original Merger Agreement and as amended as described below, the Merger Agreement) with Tower Group International, Ltd. (Tower) pursuant to which ACP Re has agreed to acquire Tower for the price of $3.00 per share (the Merger). The transactions contemplated by the Merger Agreement are subject to certain regulatory and shareholder approvals.

Simultaneously with the execution of the Original Merger Agreement, the Company and ACP Re entered into the Personal Lines Stock and Asset Purchase Agreement effective as of January 3, 2014 (the PL SPA) by which we agreed to purchase from ACP Re the renewal rights and certain other assets related to Tower s personal lines insurance operations (Personal Lines Assets), including (i) certain of Tower s U.S. domiciled insurance companies, for a purchase price equal to the tangible book value of the companies, which was expected to be approximately $125 million and (ii) the insurance managers for the two New York reciprocal insurers managed by Tower for $7.5 million. In connection with its entry into the PL SPA with the Company, ACP Re entered into that certain Commercial Lines Stock and Asset Purchase Agreement dated January 3, 2014 (the CL SPA) with AmTrust, by which AmTrust agreed to purchase from ACP Re the renewal rights and certain other assets related to Tower s commercial lines insurance operations (Commercial Lines Assets), including certain of Tower s U.S. domiciled insurance companies, for a purchase price equal to the tangible book value of the companies, which also was expected to be approximately $125 million.

The Merger is subject to shareholder and regulatory approval, and the acquisition of Tower s insurance companies by the Company and AmTrust pursuant to the PL SPA and CL SPA also requires regulatory approval. Upon announcement of the Merger and the execution of the PL SPA and CL SPA, the Company, AmTrust and ACP Re entered into discussions with Tower s U.S. and Bermuda insurance regulators regarding the overall plan for the administration of the run-off of Tower s business following the closing of the Merger and the Company s and AmTrust s acquisition of the Personal Lines Assets and Commercial Lines Assets, respectively. Based on these discussions, the Company, AmTrust and ACP Re determined that the best way to structure the transaction would be for ACP Re to retain ownership of all of Tower s U.S. insurance companies and for the Company and AmTrust, respectively, to (i) acquire the Personal Lines Assets and Commercial Lines Assets (other than ownership of Tower s U.S. domiciled insurance companies), (ii) provide all claims administration services related to Tower s historical personal lines claims and commercial lines claims at cost, (iii) in their discretion, place personal lines business and commercial lines business of the Tower insurance companies, for which they

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will act as managing general agent and fully reinsure for a net 2% ceding fee payable to the Tower insurance companies, (iv) retain the expirations on all business written by the Tower insurance companies through the Company and AmTrust, as managers, and (v) receive the agreement of the Tower insurance companies and ACP Re not to compete against the Company and AmTrust, respectively, with respect to personal lines business and commercial lines business (such revised structure, the Revised Plan). Pursuant to the foregoing, the Company, on April 8, 2014, amended the PL SPA and entered into a Personal Lines Master Agreement (the Personal Lines Master Agreement) with ACP Re which provides for the implementation of the Revised Plan. The Company will still acquire the insurance managers for the reciprocal insurers managed by Tower for $7.5 million.

In connection with the Revised Plan, we and AmTrust expect to provide ACP Re with financing in an aggregate principal amount of up to $125 million each, with a term of no shorter than seven years at a market rate of interest, on an unsubordinated basis and subject to terms to be negotiated (the ACP Re Financing). In addition, we (through one of our wholly owned subsidiaries) and AmTrust will issue a $250 million aggregate stop loss reinsurance agreement to Tower by which each, as reinsurers, will provide, severally, $125 million of stop loss coverage (the Stop Loss Agreement). The stop loss coverage will attach in the event that paid losses and paid loss adjustment expenses by the Tower insurance companies exceed Tower s reserves as of the closing of the Merger. Through this stop-loss coverage, our subsidiary will have direct exposure, and we will have indirect exposure, to both Tower s historical commercial and personal lines business and reserves. ACP Re will enter into a retrocession agreement with us and AmTrust to reimburse us and AmTrust for any payments that we or AmTrust make to Tower under the Stop Loss Agreement. On May 8, 2014, Tower and ACP Re entered into Amendment No. 1 to the Agreement and Plan of Merger (the Amendment, and together with the Original Merger Agreement, the Merger Agreement). The Amendment, among other things, reduces the per share consideration to be received by holders of Tower s common shares in the Merger from $3.00 per share to $2.50 per share, and extends to November 15, 2014 both the date by which Tower must hold its shareholders meeting to vote on the Merger and the deadline for completing the Merger before either party can terminate the Merger Agreement.

The transaction as it relates to the Company and the Personal Lines Assets described herein (the Tower Transaction) remains subject to regulatory approval and the consummation of the Merger. There is no assurance that modifications to the terms of the Tower Transaction described above will not need to be made in order to obtain regulatory approval. In addition, the Merger Agreement contains customary provisions allowing for termination prior to shareholder approval under limited circumstances described in the Merger Agreement when Tower has received a superior proposal from another party.

In addition, Integon National Insurance Company, our wholly owned subsidiary, has entered into a reinsurance agreement (the Cut-Through Reinsurance Agreement) with several Tower subsidiaries. Under the Cut-Through Reinsurance Agreement, Integon has reinsured on a 100% quota share basis with a cut-through endorsement all of Tower s new and renewal personal lines business and has assumed 100% of Tower s unearned premium reserves with respect to in-force personal lines policies, in each case, net of reinsurance already in effect. The cut-through endorsement allows insureds to pursue claims directly against Integon if the ceding company becomes insolvent. The agreement is effective solely with respect to losses occurring on or after January 1, 2014 and has a duration of one year unless earlier terminated. Integon 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 Amendment does not modify any changes to the Cut-Through Reinsurance Agreement.

On May 23, 2014, we completed the sale of $250 million aggregate principal amount of 6.75% senior notes due 2024 (the senior notes) to institutional investors pursuant to a private placement in a transaction exempt from registration under the Securities Act (the Senior Notes Offering). The senior notes are senior, unsecured obligations of ours and bear interest at a rate of 6.75% per annum. The senior notes will mature on May 15, 2024.

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After deducting fees and transaction expenses, our net proceeds from the offering totaled approximately $245 million. We used a portion of the net proceeds from the issuance of the senior notes to repay the outstanding amounts under our credit facility and a promissory note to ACP Re; we expect to use the remaining net proceeds for the ACP Re Financing and for our general corporate purposes, including future acquisitions and to support our current and future policy writings.

On May 30, 2014, we entered into a $135 million credit agreement (the Credit Agreement) with JPMorgan Chase Bank, N.A., as Administrative Agent, KeyBank National Association as Syndication Agent, and Associated Bank, National Association and First Niagara Bank, N.A., as Co-Documentation Agents. The credit facility is a revolving credit facility with a letter of credit sublimit of $10 million and an expansion feature not to exceed $50 million. The Credit Agreement has a maturity date of May 30, 2018. Proceeds of borrowings under the Credit Agreement may be used for working capital, acquisitions and general corporate purposes.

Company Information

Our principal executive offices are located at 59 Maiden Lane, 38th Floor, New York, New York 10038, and our telephone number at that location is 212-380-9500.

Our website address is http://www.nationalgeneral.com. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated by reference into this prospectus.

This prospectus refers to brand names, trademarks, service marks and trade names of us and other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective holders.

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THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Series A Preferred Stock, see Description of the Series A Preferred Stock in this prospectus.

Issuer	National General Holdings Corp. (NGHC)
Securities offered	2,200,000 shares (or 2,530,000 shares if the underwriters exercise their over-allotment option in full) of 7.50% Non-Cumulative Preferred Stock, Series A (or Series A Preferred Stock), $0.01 par value per share, with a liquidation preference of $25 per share, of NGHC. We may from time to time elect to issue additional shares of Series A Preferred Stock, and all the additional shares would be deemed to form a single series with the Series A Preferred Stock.
Dividends	Dividends on the Series A Preferred Stock, when, as and if declared by the Board of Directors of NGHC or a duly authorized committee of the Board, will accrue and be payable on the liquidation preference amount from, and including, the original issue date, on a noncumulative basis, quarterly in arrears on each dividend payment date, at an annual rate of 7.50%. Dividends will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends on the Series A Preferred Stock are not cumulative. Accordingly, in the event dividends are not declared on the Series A Preferred Stock for payment on any dividend payment date, then such dividends will not accumulate and will not be payable. If our Board of Directors or a duly authorized committee of the Board has not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends for such dividend period after the dividend payment date for that dividend period, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.
	During any dividend period, so long as any Series A Preferred Stock remains outstanding, unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid:

no dividend shall be paid or declared on our common stock or other junior stock, other than a dividend payable solely in junior stock;

no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for

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consideration by us, directly or indirectly (other than (1) as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, (2) through the use of the proceeds of a substantially contemporaneous sale of junior stock or (3) in connection with grants or settlements of grants pursuant to any equity compensation plan adopted by us) nor shall any monies be paid to or made available for a sinking fund for the redemption of such stock; and

no shares of Series A Preferred Stock or parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us other than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series A Preferred Stock and such parity stock except by conversion into or exchange for junior stock.

For any dividend period in which dividends are not paid in full upon the Series A Preferred Stock and any parity stock, all dividends declared for such dividend period with respect to the Series A Preferred Stock and such parity stock shall be declared on a pro rata basis. See Description of the Series A Preferred Stock Dividends in this prospectus.

Dividend Payment Dates	The 15th day of January, April, July and October of each year, commencing on October 15, 2014. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day with the same force and effect as if made on the original dividend payment date.
Dividend Periods	A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series A Preferred Stock and will end on and exclude the October 15, 2014 dividend payment date. Assuming an initial issue date of June 25, 2014, the dividend for the initial dividend period will be $0.57292 per share of Series A Preferred Stock.
Redemption	On and after July 15, 2019, the Series A Preferred Stock will be redeemable at our option, in whole or in

part, at a redemption price equal to $25 per share plus declared and unpaid dividends on the shares of Series A Preferred Stock called for redemption for prior dividend periods, if any, plus accrued but unpaid dividends (whether or not declared) thereon for the then-current dividend period, to, but excluding, the date of redemption, without accumulation of any other undeclared dividends.

Our ability to redeem the Series A Preferred Stock as described above may be limited by the terms of our agreements governing our existing and future indebtedness and by the provisions of other existing and future agreements. The Series A Preferred Stock will not be subject to any sinking fund or other obligation of ours to redeem, purchase or retire the Series A Preferred Stock. See Description of the Series A Preferred Stock Redemption in this prospectus.

Ranking

The Series A Preferred Stock:

- will rank senior to our common stock and any other junior stock with respect to the payment of dividends and distributions upon our liquidation, dissolution or winding-up. Junior stock includes our common stock and any other class or series of our capital stock that ranks junior to the Series A Preferred Stock either as to the payment of dividends or as to the distribution of assets upon our liquidation, dissolution or winding-up;
- will rank at least equally with each other class or series of our capital stock ranking on parity with the Series A Preferred Stock as to dividends and distributions upon our liquidation or dissolution or winding-up, which we refer to as parity stock; and
- will rank junior to each other class or series of our capital stock that by its terms ranks senior to the Series A Preferred Stock as to dividends and distributions upon our liquidation or dissolution or winding-up.

As of the date of this prospectus, we do not have any outstanding shares or series of our capital stock that ranks equally with or senior to the Series A Preferred Stock with respect to the payment of dividends and distribution of assets upon our liquidation, dissolution

	or winding up.
Liquidation Rights	Upon any voluntary or involuntary liquidation, dissolution or winding-up of NGHC, holders of shares of the Series A Preferred Stock and any parity stock are entitled to receive out of our assets available for distribution to stockholders, before

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	any distribution is made to holders of common stock or other junior stock, a liquidating distribution in the amount of the liquidation preference of $25 per share of Series A Preferred Stock plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Distributions will be made pro rata as to the Series A Preferred Stock and any parity stock and only to the extent of our assets, if any, that are available after satisfaction of all liabilities to creditors. See Description of the Series A Preferred Stock Liquidation Rights in this prospectus.
Voting Rights	The holders of the Series A Preferred Stock will not have any voting rights, except under limited circumstances, including with respect to certain fundamental changes in the terms of the Series A Preferred Stock, in the case of certain dividend arrearages and except as specifically required by Delaware law. See Description of the Series A Preferred Stock Voting Rights in this prospectus.
Maturity	The Series A Preferred Stock does not have any maturity date, and we are not required to redeem the Series A Preferred Stock. Holders of the Series A Preferred Stock will have no right to have the Series A Preferred Stock redeemed. Accordingly, the shares of Series A Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem them.
Preemptive Rights	Holders of the Series A Preferred Stock will have no preemptive rights.
Listing	We have applied to list the Series A Preferred Stock on the NASDAQ Global Market under the symbol NGHCP. If the application is approved, we expect trading to commence within 30 days following the initial issuance of the Series A Preferred Stock.
Tax Consequences	For discussion of the tax consequences relating to the Series A Preferred Stock, see Certain U.S. Federal Income Tax Considerations in this prospectus.
Use of Proceeds	We estimate that the net proceeds to us from the sale of the Series A Preferred Stock issued in this offering will be approximately $53.0 million (or $61.0 million if the underwriters exercise their over-allotment option in full) after deducting the underwriting discount and our estimated offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, including future acquisitions and to support our current and future policy writings. See Use of

Proceeds in this prospectus.

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Transfer Agent	American Stock Transfer & Trust Company.
Risk Factors	See Risk Factors in this prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each of which is incorporated by reference herein, for the risks you should consider carefully before deciding to invest in the Series A Preferred Stock.

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SUMMARY FINANCIAL DATA

The following tables set forth our historical consolidated summary financial data for the periods ended and as of the dates indicated. The summary income statement data for the years ended December 31, 2013, 2012 and 2011 and the balance sheet data as of December 31, 2013 and 2012 are derived from our audited consolidated financial statements. The summary income statement data for the period from March 1, 2010 (inception) to December 31, 2010 are derived from our audited consolidated financial statements. Our consolidated balance sheet data as of March 31, 2014 and our consolidated statements of operations data for the three months ended March 31, 2014 and 2013 are derived from our unaudited condensed consolidated financial statements. In the opinion of our management, our unaudited condensed consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of the financial information. Operating results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. You should read the following summary consolidated financial information together with the other information contained or incorporated by reference in this prospectus, including the section captioned Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes which appear in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each of which is incorporated by reference herein. For more details on how you can obtain our SEC reports and other information, you should read the section entitled Additional Information; Incorporation by Reference.

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	Three Months Ended March 31,		Year Ended December 31,			Period from March 1, 2010 (Inception) to December 31,
	2014	2013	2013	2012	2011	2010
	(Amounts in Thousands, Except Percentages and per Share Data)					
Selected Income Statement Data[1]						
Gross premium written	$ 646,142	$ 357,613	$ 1,338,755	$ 1,351,925	$ 1,178,891	$ 911,991
Ceded premiums[2]	$ (78,657)	$ (185,097)	(659,439)	(719,431)	(640,655)	(463,422)
Net premium written	$ 567,485	$ 172,516	$ 679,316	$ 632,494	$ 538,236	$ 448,570
Change in unearned premium	(209,633)	(20,360)	8,750			