

FOR IMMEDIATE RELEASE

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Federated National Holding Company**

**FEDERATED NATIONAL HOLDING COMPANY
Named One Of 'America's 50 Most Trustworthy
Financial Companies' By Forbes**

Sunrise, Florida, August 31, 2015 - Federated National Holding Company ("Federated National" or "the Company") (NASDAQ: FNHC), an insurance holding company, has been named one of "America's 50 Most Trustworthy Financial Companies" by *Forbes* magazine.

Federated National is a Russell 3000 company, has an FSR® rating of "A" Excellent by Demotech, Inc. and according to the Florida Office of Insurance Regulation, as of March 31, 2015, is ranked 5th as a top residential homeowners' insurer in the State of Florida.

The *Forbes* list was developed using data culled from MSCI ESG Research, which reviewed "the accounting and governance behaviors of more than 700 publicly-traded North American companies with market caps of \$250 million or greater." The assessment looked at a number of factors, including "high-risk events, revenue and expense recognition methods, SEC actions and bankruptcy risks" as indicators of the company's credibility. These factors were used to develop "Aggressive Accounting Governance Risk" (AGR) numbers. Federated National received a 92 for the first quarter of 2015 and an average AGR score of 89 for the last four quarters.

Michael H. Braun, the Company's Chief Executive Officer and President said, "Federated National has been serving insurance consumers for more than 20 years and this honor from *Forbes* validates the prudent manner in which we operate all aspects of our business, including; underwriting, claims, reinsurance and accounting. Our focus is to provide quality customer service to our policyholders and independent partner agents and long-term sustainable growth for our shareholders."

About the Company

The Company is authorized to underwrite, and/or place through our wholly owned subsidiaries, homeowners' multi-peril ("homeowners"), commercial general liability, federal flood, personal auto and various other lines of insurance in Florida and various other states. The Company also serves as managing general agent for its joint venture, Monarch National Insurance Company. The Company markets and distributes its own and third-party insurers' products and our other services through a network of independent agents. The Company also utilizes a select number of general agents for the same purpose.

Forward-Looking Statements /Safe Harbor Statements

Safe harbor statement under the Private Securities Litigation Reform Act of 1995:

Statements that are not historical fact are forward-looking statements that are subject to certain risks and uncertainties that could cause actual events and results to differ materially from those discussed herein. Without limiting the generality of the foregoing, words such as "anticipate," "believe," "budget," "contemplate," "continue," "could," "envision," "estimate," "expect," "guidance," "indicate," "intend," "may," "might," "plan," "possibly," "potential," "predict," "probably," "pro-forma," "project," "seek," "should," "target," or "will" or the negative thereof or other variations thereon and similar words or phrases or comparable terminology are intended to identify forward-looking statements.

Forward-looking statements might also include, but are not limited to, one or more of the following:

- *Projections of revenues, income, earnings per share, dividends, capital structure or other financial items or measures;*
- *Descriptions of plans or objectives of management for future operations, insurance products/or services;*
- *Forecasts of future insurable events, economic performance, liquidity, need for funding and income; and*
- *Descriptions of assumptions or estimates underlying or relating to any of the foregoing.*

The risks and uncertainties include, without limitation, risks and uncertainties related to estimates, assumptions and projections generally; the nature of the Company's business; the adequacy of its reserves for loss and loss adjustment expense; claims experience; weather conditions (including the severity and frequency of storms, hurricanes, tornadoes and hail) and other catastrophic losses; reinsurance costs and the ability of reinsurers to indemnify the Company; raising additional capital and our potential failure to meet minimum capital and surplus requirements; potential assessments that support property and casualty insurance pools and associations; the effectiveness of internal financial controls; the effectiveness of our underwriting, pricing and related loss limitation methods; changes in loss trends; court decisions and trends in litigation; our potential failure to pay claims accurately; ability to obtain regulatory approval applications for requested rate increases, or to underwrite in additional jurisdictions, and the timing thereof; the impact that the results of the Monarch joint venture may have on our results of operations; inflation and other changes in economic conditions (including changes in interest rates and financial markets); pricing competition and other initiatives by competitors; legislative and regulatory developments; the outcome of litigation pending against the Company, and any settlement thereof; dependence on investment income and the composition of the Company's investment portfolio; insurance agents; ratings by industry services; the reliability of our information technology systems; reliance on key personnel; acts of war and terrorist activities; and other matters described from time to time by the Company in releases and publications, and in periodic reports and other documents filed with the United States Securities and Exchange Commission.

In addition, investors should be aware that generally accepted accounting principles prescribe when a company may reserve for particular risks, including claims and litigation exposures. Accordingly, results for a given reporting period could be significantly affected if and when a reserve is established for a contingency. Reported results may therefore appear to be volatile in certain accounting periods.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We do not undertake any obligation to update publicly or revise any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.