

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: May 12, 2014
(Date of earliest event reported)

FEDERATED NATIONAL HOLDING COMPANY
(Exact name of registrant as specified in its charter)

<u>Florida</u> (State or other jurisdiction of incorporation)	<u>0-2500111</u> (Commission File Number)	<u>65-0248866</u> (I.R.S. Employer Identification No.)
<u>14050 N.W. 14th Street, Suite 180</u> <u>Sunrise, FL</u> (Address of principal executive offices)		<u>33323</u> (Zip Code)

Registrant's telephone number, including area code: (954) 581-9993

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

Officers of Federated National Holding Company (the “Company”) will present to members of the investment community as part of a non-deal road show beginning on May 12, 2014. A copy of the investor presentation to be used during these presentations is attached as Exhibit 99.1 to this Current Report on Form 8-K and is also available in the “Investor” section of the Company’s website at www.fednat.com. These materials are dated May 12, 2014, and the Company disclaims any obligation to correct or update these materials in the future.

In accordance with General Instruction B.2 to Form 8-K, the information set forth in this Item 7.01 and the investor presentation attached to this report as Exhibit 99.1 is “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”).

The investor presentation attached hereto as Exhibit 99.1 contains statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements are therefore entitled to the protection of the safe harbor provisions of these laws. These statements may be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “budget,” “contemplate,” “continue,” “could,” “envision,” “estimate,” “expect,” “forecast,” “guidance,” “indicate,” “intend,” “may,” “might,” “outlook,” “plan,” “possibly,” “potential,” “predict,” “probably,” “pro-forma,” “project,” “seek,” “should,” “target,” “will,” “would,” “will be,” “will continue” or the negative thereof or other variations thereon or comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve a number of risks and uncertainties, many of which are beyond the Company’s control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Management cautions that any such forward-looking statements are not guarantees of future performance, and readers cannot assume that such statements will be realized or the forward-looking events and circumstances will occur. Factors that might cause such a difference include, without limitation, the risks and uncertainties discussed under “Risk Factors” in the Company’s Annual Report on Form 10-K, and discussed from time to time in the Company’s reports filed with the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Federated National Holding Company Investor Presentation dated May 12, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERATED NATIONAL HOLDING COMPANY

Date: May 12, 2014

By: /s/ Peter J. Prygelski, III
Name: Peter J. Prygelski, III
Title: Chief Financial Officer
(Principal Accounting and Financial Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Title</u>
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99.1	Federated National Holding Company Investor Presentation dated May 12, 2014.
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FEDERATED NATIONAL

NASDAQ: FNHC



May 2014



SAFE HARBOR STATEMENT

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,” “proforma,” “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; 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.

FEDERATED NATIONAL - KEY STATS

- **Headquarters:** Sunrise, Florida
- **Ticker:** FNHC (NASDAQ-GM)
- **Common Stock Offering:** \$30 million (Priced at \$10.75 on 11/20/2013)

- **Company Overview (As of 5/5/2014):**

Market Cap: \$224.8 Million

Stock Price: \$20.46

Common Shares Out: 11.0 Million

Annual Dividend (LTM): \$0.12

“A” rating by Demotech since 1998



- **Ownership / Valuation:**

Institutional / Insider Holdings: 40.3% / 9.3%

P / Book of 1.9x and P / 2014 EPS of 13.2x

- **Financial Highlights (LTM):**

Direct Premiums Written (“DPW”): \$279.1M

Net Premiums Earned (“NPE”): \$130.1M

Diluted EPS: \$1.90

GAAP Equity (3/31/2014): \$117.6M

3-Year Stock Price Performance



SENIOR MANAGEMENT TEAM

- Experienced management team with a long history with Federated National and the homeowners' insurance market in Florida

Michael Braun (Age 46), *Chief Executive Officer & President*

- Appointed Chief Executive Officer in July 2008
- Elected to Board in 2005
- Previously served as Chief Operating Officer
- Joined in 1998

Peter Prygelski (Age 45), *Chief Financial Officer & Treasurer*

- Re-nominated to Board in 2008
- Appointed Chief Financial Officer in June 2007
- Served as Independent Director from 2004 through 2007
- Joined in 2004

Stephen Young (Age 39), *Vice President of Operations*

- Appointed Vice President of Operations in June 2009
- Served as President of Federated Premium Finance
- More than 20 years of industry experience
- Joined in August 1995

Gordon Jennings (Age 56), *Vice President of Risk Management*

- Appointed Vice President of Risk Management in May 2008
- Serves as President of Federated National Underwriters
- More than 23 years of industry experience
- Joined in May 2000

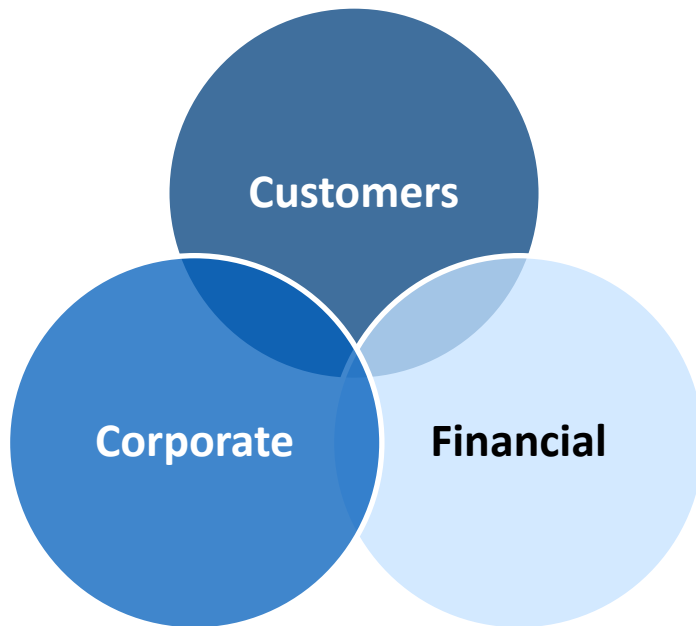
C. Brian Turnau (Age 47), *President of Federated National Adjusting*

- Appointed President of Federated National Adjusting in July 2006
- Worked for private practice insurance defense litigation law firms for 15 years
- More than 13 years of industry experience
- Joined in June 2000

Christopher Clouse (Age 46), *Underwriting Manager*

- Appointed Underwriting Manager in June 2010
- Serves as President of Insure-Link
- More than 25 years of industry experience
- Joined in March 2008

COMPANY PHILOSOPHY



Customers

Provide best in class customer service for our policyholders, agents, reinsurance partners and business partners while creating long-term shareholder value

Corporate

Be a well-regarded employer that is mindful of the well-being of our employees and allow them to develop in an impartial, challenging, rewarding and cooperative environment

Financial

Generate sustainable annual growth and long-term value for our shareholders by expanding market share, increasing sales and improving product mix, optimizing the investment portfolio on a risk-adjusted basis and improving scale

WHO WE ARE

Our Structure

- Federated National Holding Company, also known as FedNat, is a holding company that controls substantially all aspects of insurance underwriting, distribution and claims processes through:
 - **Federated National Insurance Company (“FNIC”)**: Florida domiciled insurance carrier
 - **Federated National Underwriters (“FNU”)**: managing general agent
 - **Federated National Adjusting (“FNA”)**: internal claims adjusting company
 - **Insure-Link**: direct-to-consumer independent insurance agency

What We Insure

- Underwrite multi-peril homeowners’, commercial general liability, 100% ceded federal flood, personal non-standard auto and sell various other lines of insurance products

Where We Insure

- Admitted carrier in FL, AL, GA, LA and TX, and a non-admitted carrier in AR, MO, NV and SC
- Network of approximately 3,500 independent agents, of which approximately 2,000 actively sell and service our products
- Have a marketing arrangement with an affiliate of Allstate whose agents market our homeowners’ and commercial general liability policies in Florida

Our Strategy

- Focused on further diversifying geographic exposure in Florida and expanding selectively into other states in the Southeast region

EXCEPTIONAL MARKET OPPORTUNITY

- The Florida homeowners' insurance market is large, highly fragmented and dominated by Citizens and small domestic carriers
- Under pressure to reduce its risk exposure, Citizens accelerated efforts to divest hundreds of thousands of homeowners' policies in 2013, but accounted for approximately 17% of the market as of December 31, 2013
- Citizens' contraction and SB 1770 creates opportunity for private carriers to write additional homeowners' policies
- No CATs since 2005, contained sink hole exposure, shrinking Citizens, an improved rate environment and lower reinsurance costs offers an exceptional market opportunity
- Federated National joined the Property Insurance Clearinghouse in the 1st Quarter of 2014
- For the three months ended December 31, 2013, Federated National ranked 3rd based on the number of new personal residential homeowners' policies written ⁽¹⁾
- With only approximately 2.2% ⁽¹⁾ of the Florida market share, Federated National has an opportunity for significant growth

Top Personal Residential Homeowners' Insurers in Florida ⁽¹⁾ As of December 31, 2013

12/31/2013		12/31/2012		Institution	Total DPW for Policies In-Force	Market Share
Rank	Rank	Rank	Rank			
1	1	1	1	Citizens Property Insurance Corporation	\$1,735,299,490	17.29%
2	2	2	2	Universal Property & Casualty Insurance Co.	750,056,540	7.48%
3	3	3	3	State Farm Florida Insurance Company	625,980,431	6.24%
4	4	4	4	Homeowners Choice P&C Insurance Company, Inc.	391,214,109	3.90%
5	9	5	5	United Property & Casualty Insurance Company	326,884,531	3.26%
6	5	6	6	Florida Peninsula Insurance Company	318,063,596	3.17%
7	7	7	7	United Services Automobile Association	294,894,052	2.94%
8	6	8	8	St. Johns Insurance Company, Inc.	282,109,352	2.81%
9	8	9	9	Security First Insurance Company	229,344,634	2.29%
10	10	10	10	Tower Hill Prime Insurance Company	225,116,464	2.24%
11	27	11	11	Federated National Insurance Company	216,213,179	2.15%
12	40	12	12	People's Trust Insurance Company	208,316,455	2.08%
13	11	13	13	American Integrity Insurance Company of FL	203,716,912	2.03%
14	43	14	14	Heritage Property & Casualty Insurance Company	200,124,605	1.99%
15	15	15	15	Tower Hill Signature Insurance Company	177,420,851	1.77%
16	12	16	16	Federal Insurance Company	170,663,883	1.70%
17	13	17	17	USAA Casualty Insurance Company	152,189,519	1.52%
18	16	18	18	Tower Hill Preferred Insurance Company	151,042,799	1.51%
19	14	19	19	Castle Key Insurance Company	137,252,916	1.37%
20	18	20	20	AIG Property Casualty Company	133,917,136	1.33%
Top 20					\$10,049,075,125	69.07%
Grand Total					10,053,675,062	100.00%

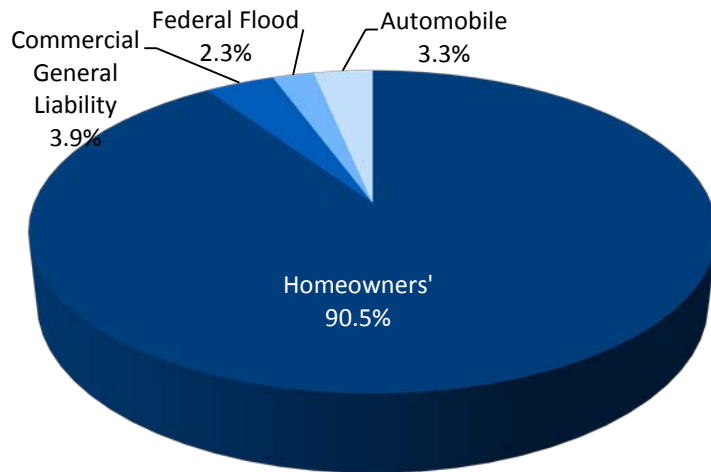
Note: Includes personal residential and excludes commercial residential business

PREMIUM COMPOSITION

- Primarily focused on homeowners' insurance in Florida, but have product initiatives in Alabama, Georgia, Louisiana, South Carolina and Texas
- Licensed and prudently looking for growth opportunities in other states

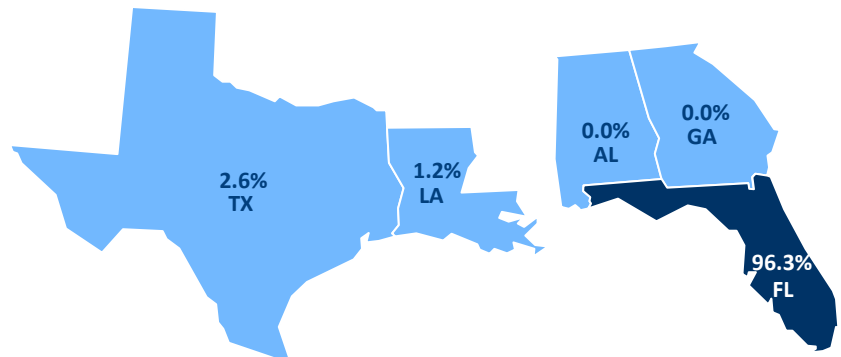
DPW by Line of Business

Last Twelve Months



DPW by Geography ⁽²⁾

March 31, 2014



Total LTM DPW: \$279,143 ⁽¹⁾

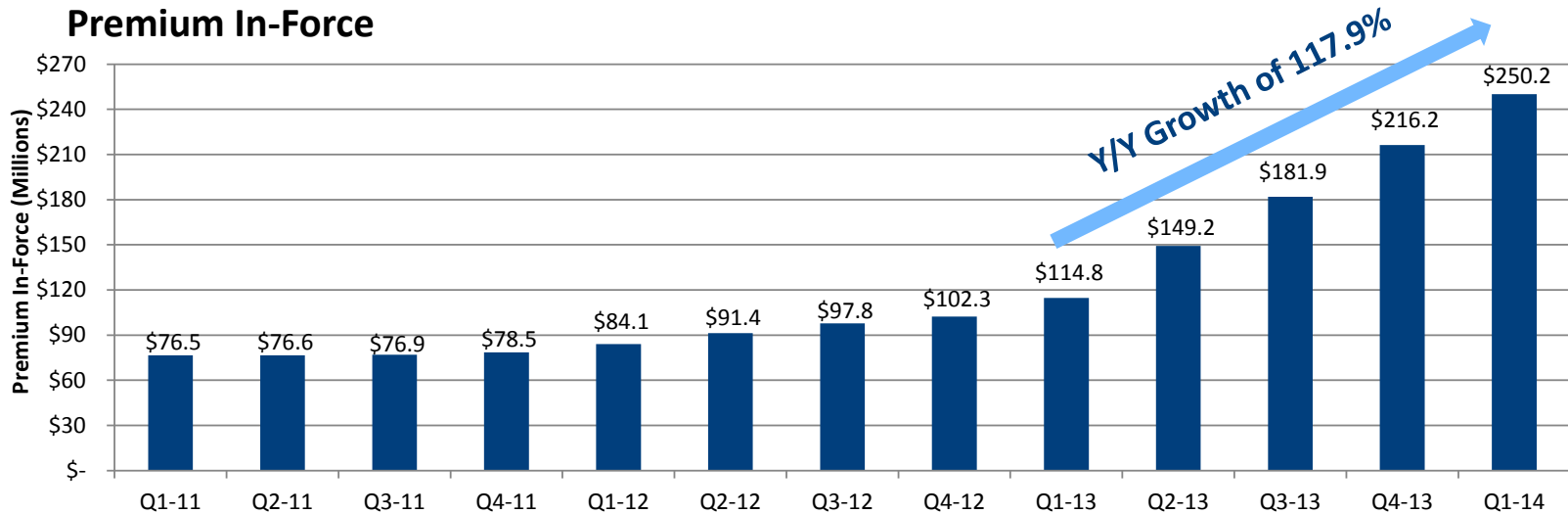
(1) DPW in thousands. Last twelve months data as of March 31, 2014

(2) Admitted carrier in FL, AL, GA, LA and TX, and a non-admitted carrier in AR, MO, NV and SC

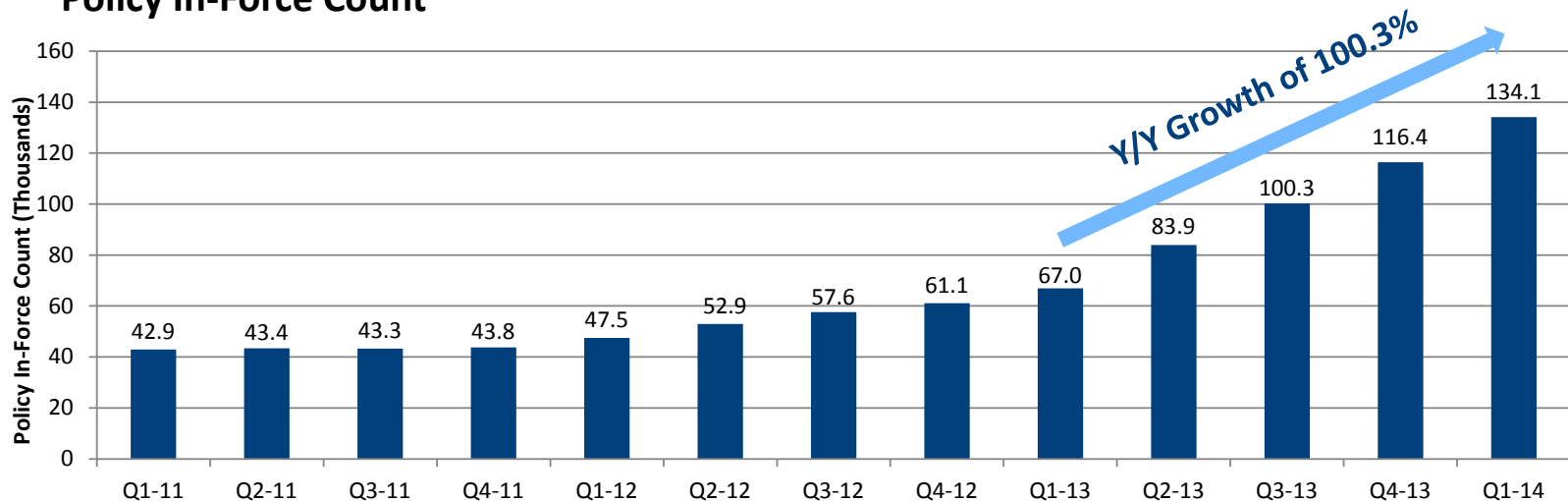
Note: Based on GAAP financial information; March 31, 2014 financials reflect unaudited information

HOMEOWNERS' POLICY GROWTH

Premium In-Force



Policy In-Force Count

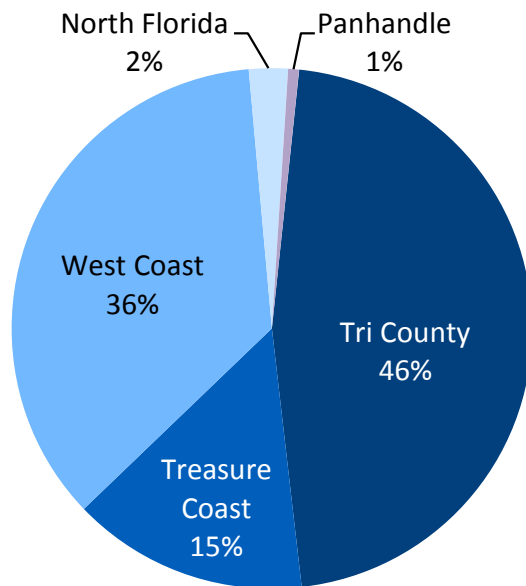


FLORIDA GEOGRAPHIC DIVERSIFICATION

- We have diversified our risk concentration by increasing our policy count outside the Tri-County (Miami-Dade, Broward, Palm Beach counties) area from 54% at 12/31/2010 to 82% at 3/31/2014

Florida HO Policy Composition

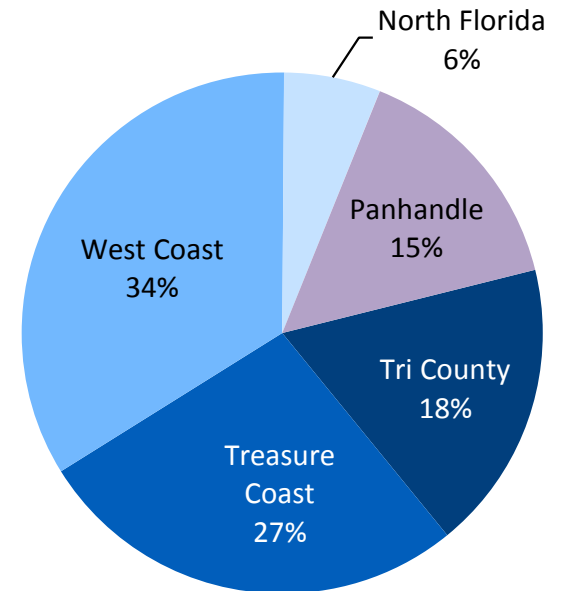
December 31, 2010



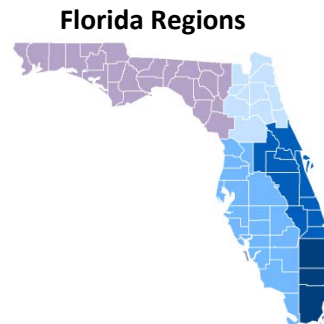
Total Policies: 43,132

Florida HO Policy Composition

March 31, 2014



Total Policies: 134,100



UNDERWRITING PROCESS

Sophisticated Analytics

- Utilize point of sale software which ensures rate adequacy
- Delivers instantaneous risk analytics and quoting and binding capabilities
- Provides agents with access to numerous key data points essential to assessing risk factors

Underwriting Standards

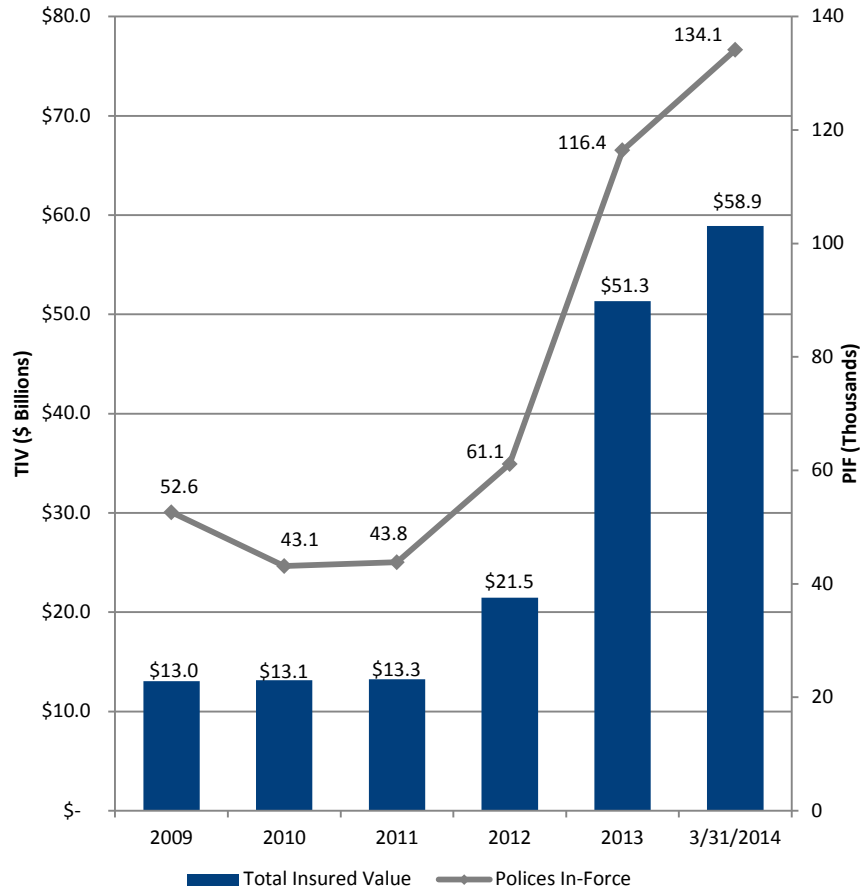
- Focus on higher value properties
- Emphasis on newer properties which typically have more advanced wind / hurricane mitigation features and lower All Other Peril (non-catastrophe) losses, all of which mitigate expected losses
- Largely avoided claims associated with sinkhole losses by carefully underwriting certain geographic areas in Florida

Geographic Diversification

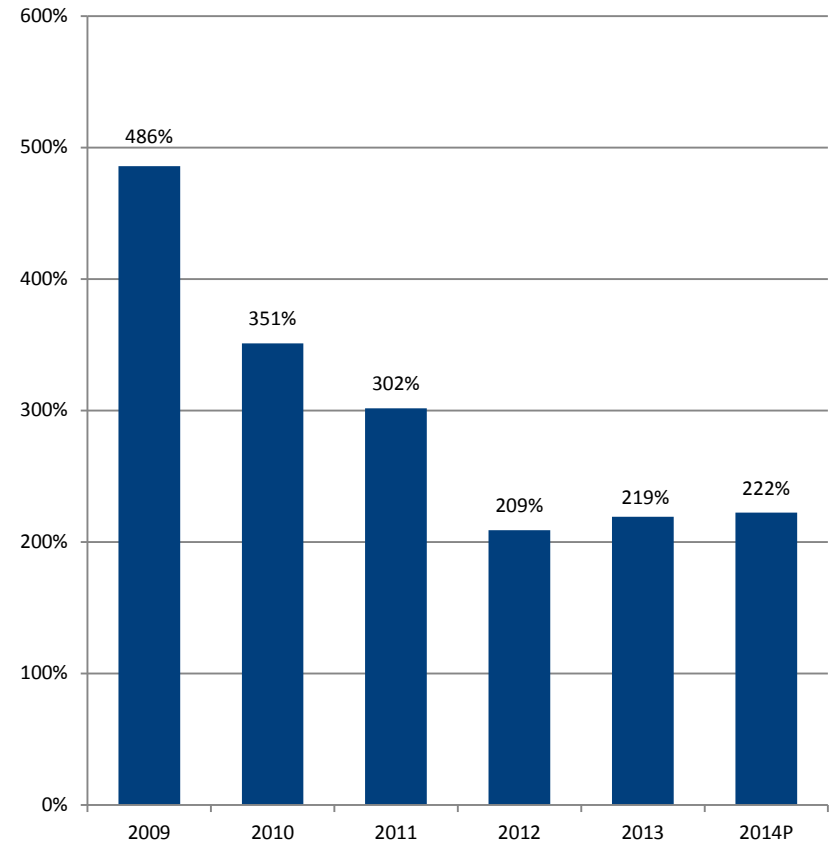
- Reduced geographic concentration in the Tri-County area and expanded in other counties in Florida
- Greater diversification has enhanced underwriting results and reduced our risk exposure
- Select expansion into Alabama, Georgia, Louisiana, South Carolina and Texas

QUALITY GROWTH IN HOMEOWNERS' PORTFOLIO

Total Insured Value and Policies In-Force



1-in-100 Year Probable Maximum Loss ⁽¹⁾ / In-Force Premium



SINKHOLE PERFORMANCE

(Dollars in Thousands)

Accident Year	Gross Earned		Ultimate Gross	
	Premium	Ultimate Losses	Loss Ratio	
2004	\$ 43,660	\$ 109	0.2%	
2005	65,162	-	0.0%	
2006	95,534	393	0.4%	
2007	118,923	216	0.2%	
2008	73,836	925	1.3%	
2009	71,111	3,940	5.5%	
2010	78,239	5,736	7.3%	
2011	76,611	3,070	4.0%	
2012	90,449	1,864	2.1%	
2013	150,257	2,300	1.5%	
Total	\$ 863,782	\$ 18,553	2.1%	

- Largely avoided claims associated with sinkhole losses by selectively underwriting certain geographic areas in Florida
- After the Florida Legislature enacted stricter laws narrowing the definition of a sinkhole loss, FNIC established rates, forms and rules that allow us to market our property insurance to most regions of the State of Florida that we previously avoided

ROBUST IN-HOUSE CLAIMS CAPABILITIES

In-House Claims Adjuster

- 8 field adjusters and 32 onsite (desk) adjusters; 9 claims managers and supervisors; in-house litigation manager; all of whom are fully licensed
- Average experience is over 10 years
- Long tenure with Federated National; over half of the homeowners' adjusters served the Company during the storms of 2004 and 2005
- Training and knowledge is promoted and enhanced through on and off-site education

Strategic Alliance with CAT Adjuster

- Owns 1/4 of Southeast Catastrophe Consulting Company, an independent CAT claims adjuster
- Dedicated CAT adjusters available to Federated National when needed
- All data and systems functionality is backed-up through a remote cloud-based computing system

Efficient Claims Response

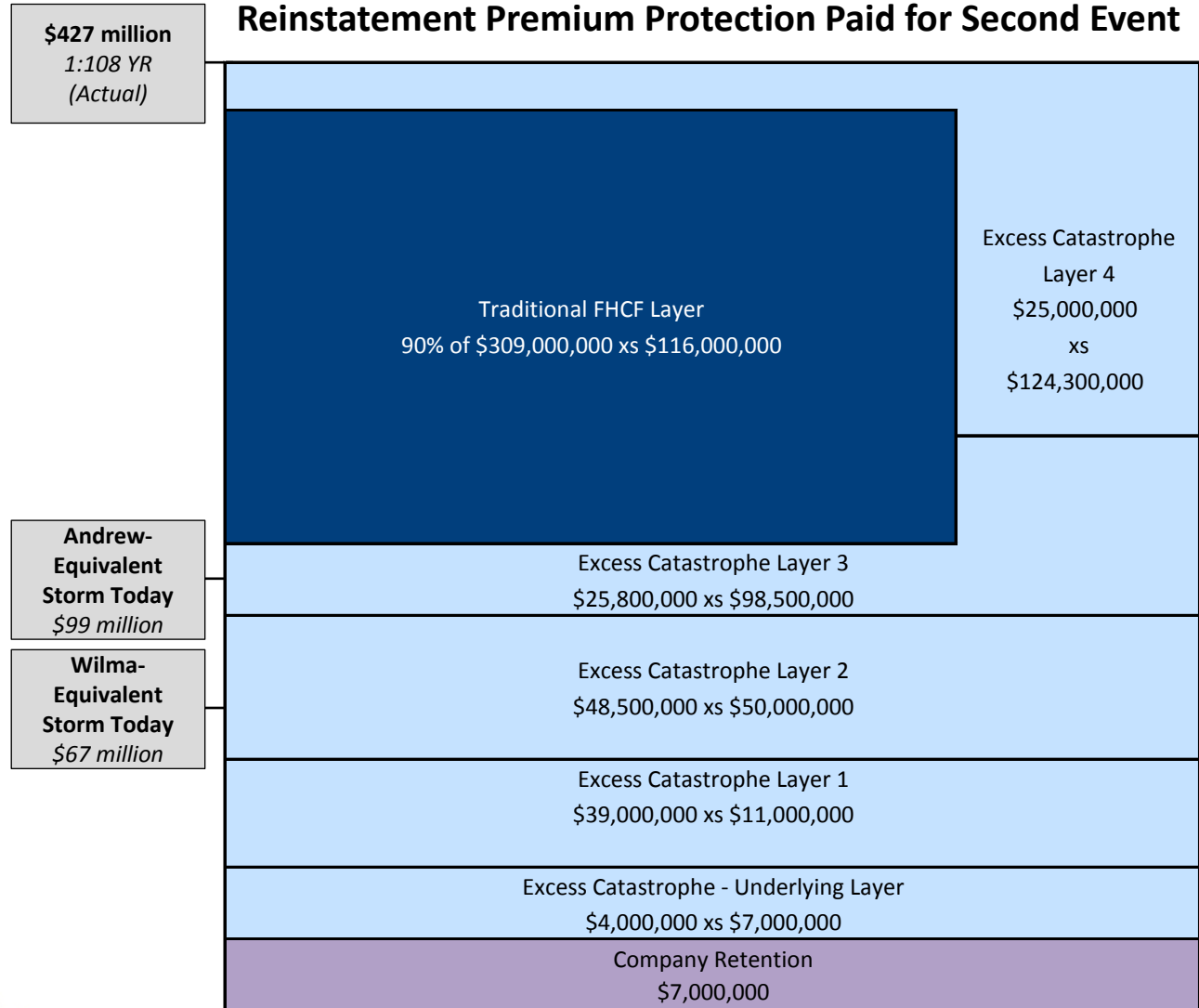
- 24/7 new claims reporting capacity with immediate emergency response available when warranted
- Long standing relationships with water remediation companies, emergency services providers and loss causation analysts that provide rapid mitigation of damages and exceptional customer service

CATASTROPHE REINSURANCE PROGRAM

- \$563 million of total coverage for CAT losses and LAE at a cost of \$68 million in premiums
- Maximum single event coverage of \$420 million
- \$7 million pre-tax retention on the first 2 events
- 36 highly rated private global reinsurers that are long-term partners and the FHCF
- Most reinsurance partners are rated "A-" or higher by A.M. Best
- 2013-2014 reinsurance program was modeled to meet a 1:100 year catastrophe event using a RMS-Risklink model with loss amplification and without storm surge factors

July 1, 2013 – June 30, 2014

Reinstatement Premium Protection Paid for Second Event

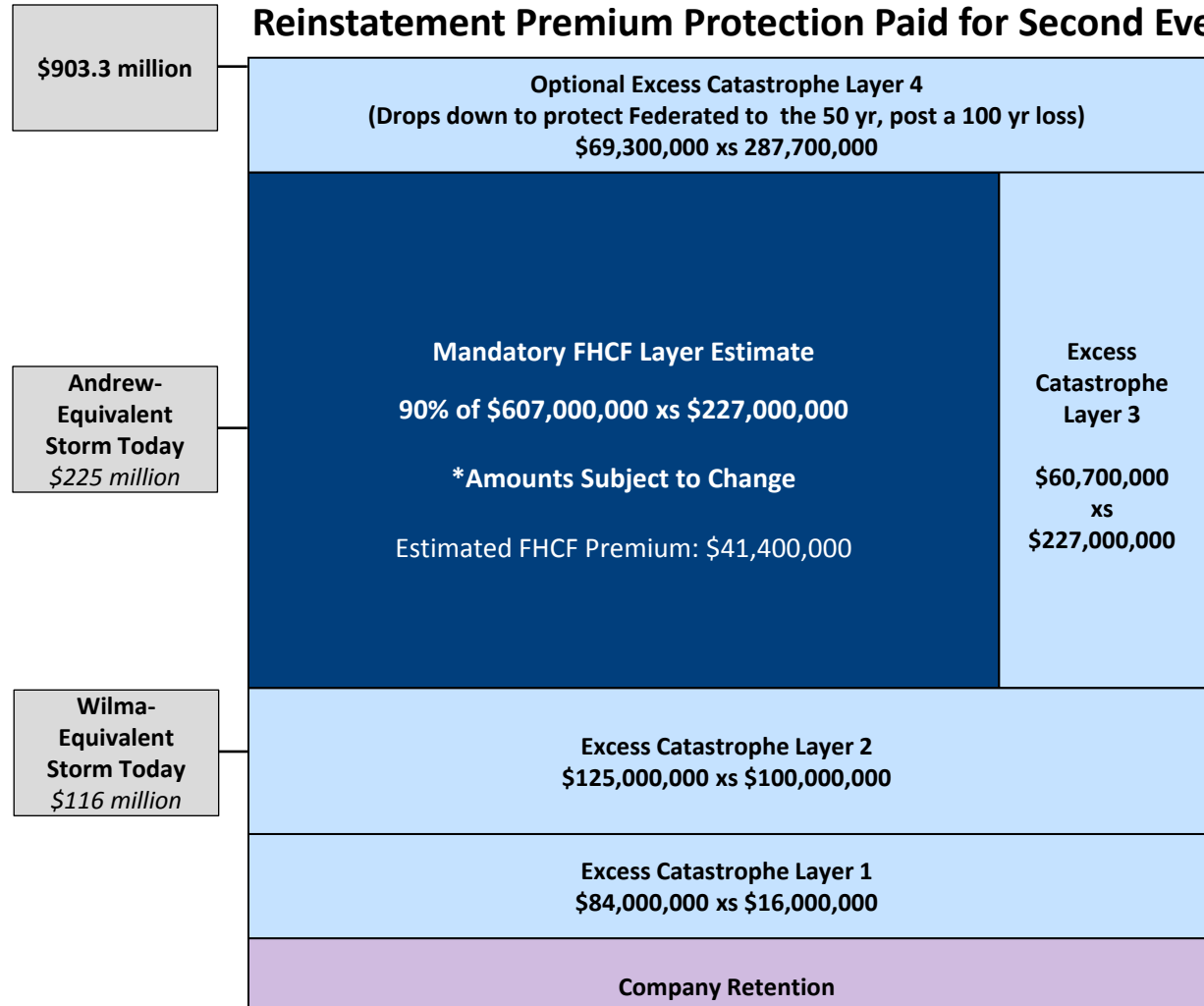


PROPOSED CATASTROPHE REINSURANCE PROGRAM

- \$1.23 billion of total coverage for CAT losses and LAE. The cost is not yet determined.
- Maximum single event coverage of \$887.3 million
- \$16 million pre-tax retention on the first 2 events
- Most are highly rated private global reinsurers that are long-term partners and the FHCF.
- Most reinsurance partners are expected to be rated "A-" or higher by A.M. Best.
- 2014-2015 reinsurance program will be modeled to at least meet a 1:100 year catastrophe event using a RMS-Risklink model near-term with loss amplification and without storm surge factors.

July 1, 2014 – June 30, 2015

Reinstatement Premium Protection Paid for Second Event



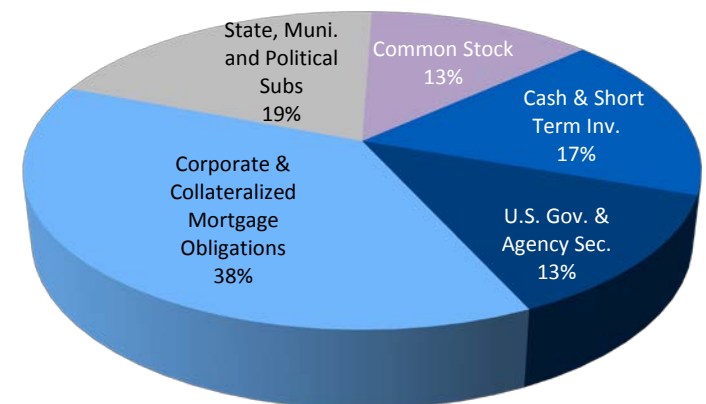
INVESTMENT STRATEGY

- Designed to preserve capital, maximize after-tax investment income, maintain liquidity and minimize risk
- Utilize outside investment managers for the fixed income and equities portfolios
- As of March 31, 2014, 100% of the Company's fixed income portfolio was rated investment grade
 - Average duration: 3.81 years
 - Composite rating: A+ (S&P)
 - Average yield: 1.73%
- Historical total returns in cash and investments as of March 31, 2014
 - 1 Year: 4.10%
 - 2 Year: 5.46%
- Actively increasing fixed income concentration in portfolio

Investments and Cash

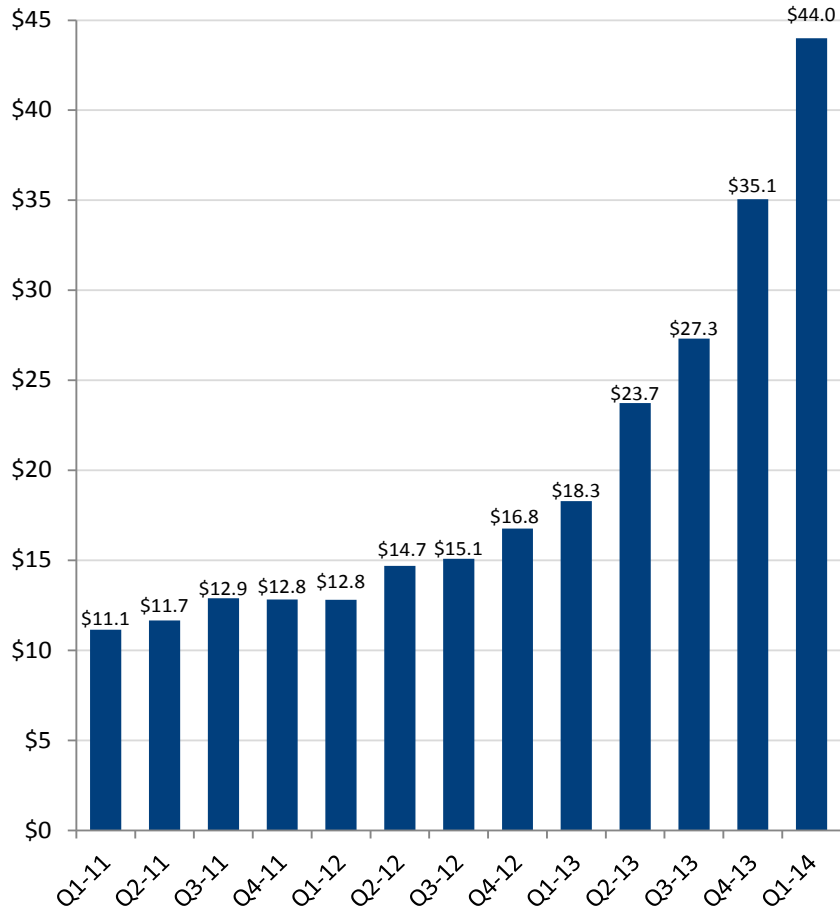
As of March 31, 2014

(\$296.0 Million)

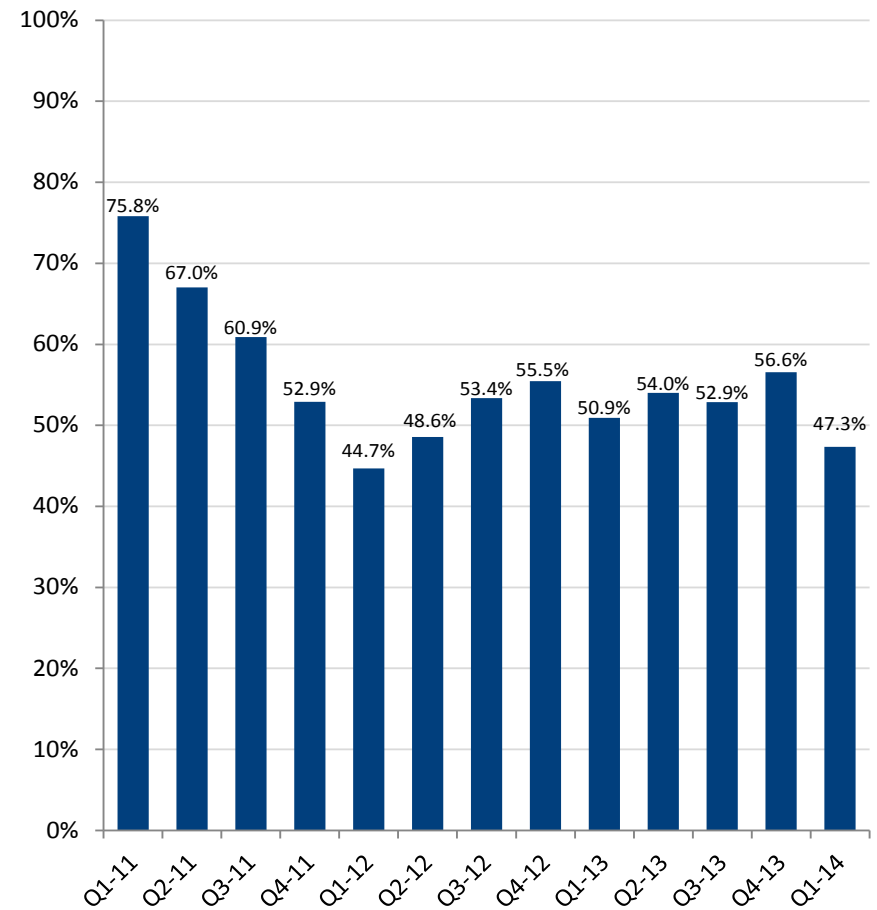


GAAP FINANCIAL HIGHLIGHTS

Net Premiums Earned

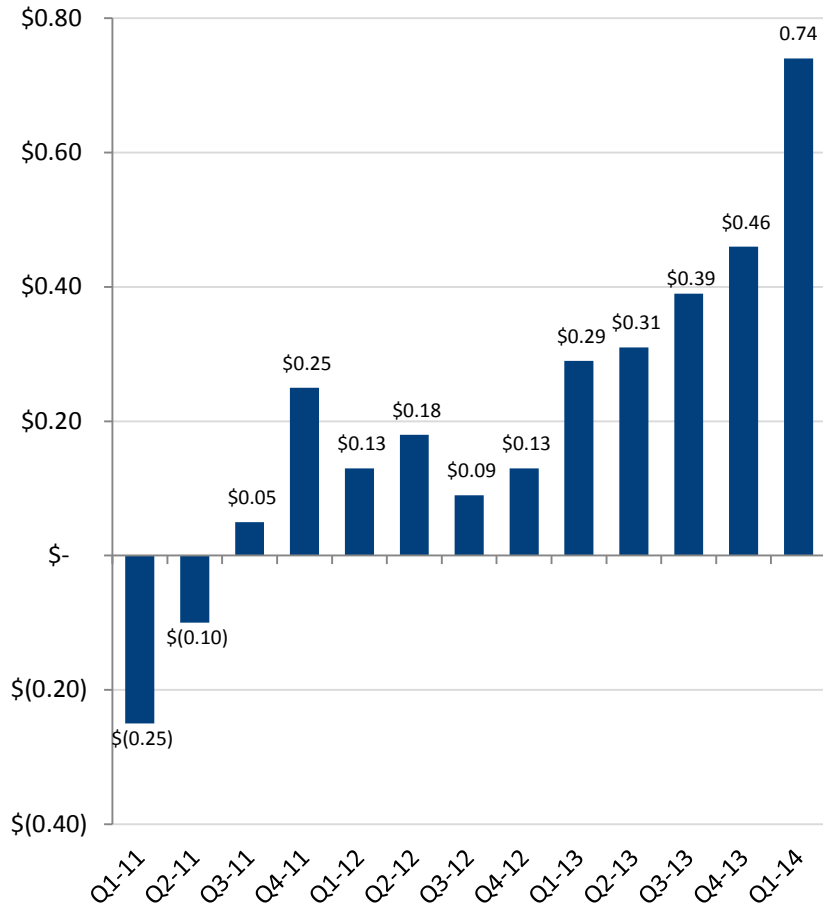


Loss & LAE Ratio

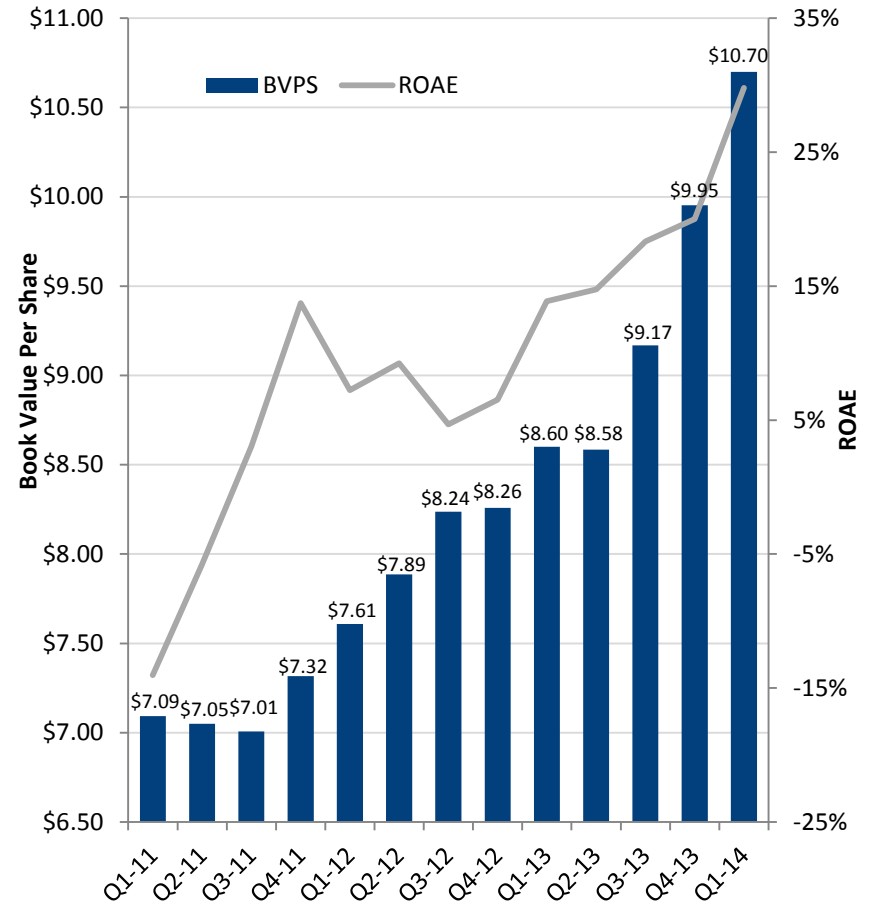


GAAP FINANCIAL HIGHLIGHTS (CONTINUED)

Diluted Earnings Per Share



Reported BVPS & ROAE



FINANCIAL UPDATE

- For the recent quarter ended March 31, 2014, we experienced strong growth in written premiums, revenue and earned premium. Further, we continued to build our policy base while maintaining our stringent underwriting criteria.

(Dollars in Millions, Except Per Share Data)

	3 Months Ended		%	12 Months Ended		%
	2014	2013		2014	2013	
Income Statement						
Gross premiums written	\$81.1	\$45.3	79%	\$279.1	\$133.5	109%
Net premiums written	77.8	42.5	83%	196.0	81.5	141%
Net premiums earned	44.0	18.3	140%	130.1	64.8	101%
Net income	8.4	2.3	261%	18.8	5.6	237%
EPS - diluted	0.74	0.29	155%	1.90	0.69	175%
GAAP loss and LAE ratio	47.3%	50.9%	--	52.2%	52.1%	--

	As of March 31,		%
	2014	2013	
Balance Sheet			
Cash and investments	\$296.0	\$169.9	74%
Total assets	349.4	206.0	70%
Unpaid losses and LAE	62.6	47.6	32%
Unearned premiums	145.3	73.3	98%
Shareholders' equity	117.6	68.7	71%
BVPS - reported	10.70	8.60	24%
Other			
Homeowners' policy count (actuals)	134,100	66,960	100%

THE OPPORTUNITY



CONTACT US

Company Contacts

Michael Braun, *Chief Executive Officer & President*

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Phone: 954-308-1322

Peter Prygelski, *Chief Financial Officer & Treasurer*

Email: pprygelski@FedNat.com

Phone: 954-308-1252



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