



Third Quarter 2019 Results

Earnings Call Presentation

October 31, 2019



Forward-looking statements and Regulation G Disclosure Statement

Forward-looking statements

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “will,” “plan” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such statements may include commentary on plans, products and lines of business, marketing arrangements, reinsurance programs and other business developments and assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future results could differ materially from those described, and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information regarding risk factors that could affect the Company's operations and future results, refer to the Company's reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K.

Regulation G Disclosure Statement

This presentation includes financial results with respect to adjusted operating income, and adjusted earnings per share, which are non-GAAP financial measures as defined by the SEC's Regulation G. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for the Company's financial results prepared in accordance with GAAP. Reconciliations of such non-GAAP financial measures in this presentation to the most comparable GAAP financial measures can be found in the Company's earnings release for the third quarter of 2019, filed with the SEC as an exhibit to a Current Report on Form 8-K on October 30, 2019, and also available on the Company's website at <https://UniversallInsuranceHoldings.com> under “Investors” with the subheading of “Earnings Releases.”

3Q19 & YTD19: Continued progress against strategic priorities

1 Focus on disciplined growth

- Total revenue up 11.4%; YTD19 up 15.2%.
- Other states (Non-Florida) direct premiums written up 27.6%; YTD19 up 29.1%.
- Diluted GAAP EPS of \$0.59, non-GAAP adjusted EPS* of \$0.61.
- YTD19 Annualized return on average equity of 23.9%; YTD19 combined ratio of 90.5%.

2 Maintain strong balance sheet

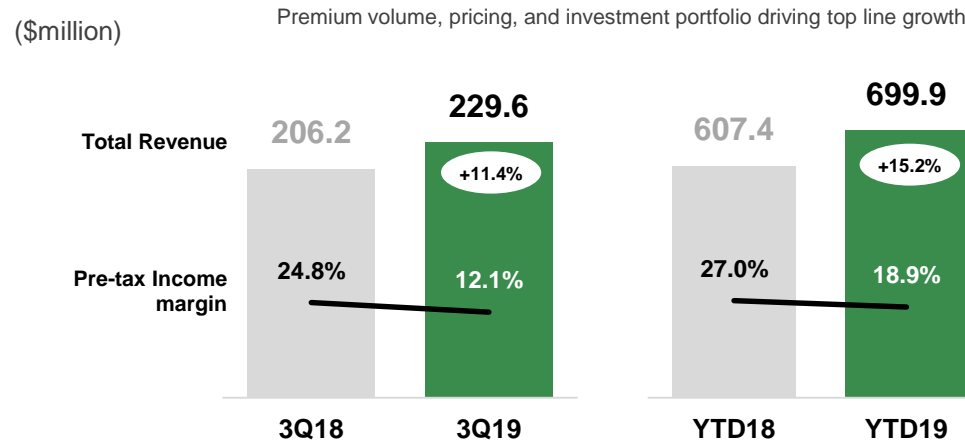
- Catastrophe losses year-to-date are largely retention events for a Florida event.
- '19-'20 reinsurance first event all states coverage of up to ~\$3.3B.
- YoY Book value per share up 12.7%.
- Total unrestricted cash and invested assets up 2.1% to \$1.1B since 4Q18.

3 Maximize earnings stability

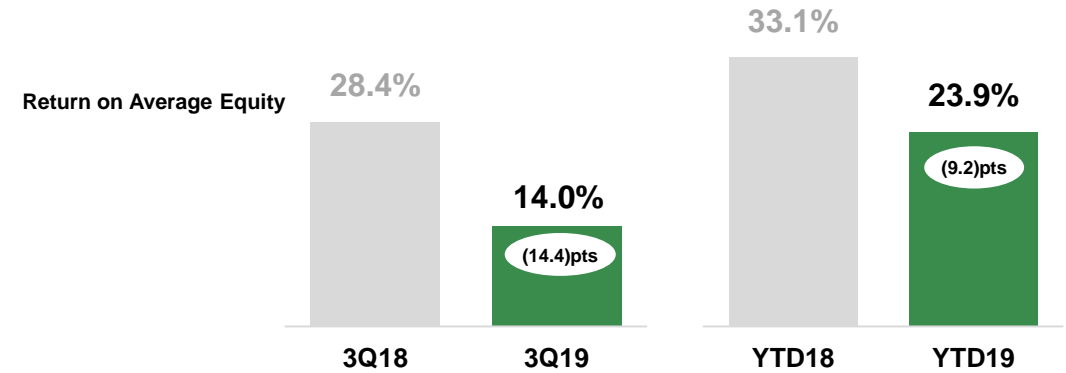
- Rate increases approved in Alabama and North Carolina.
- Launched multi-rater quote-to-bind platform on our online insurance distribution channel, CloveredSM.
- Consumers can now receive up to five side-by-side quotes online from different carriers.

3Q19 and YTD19 financial results

Total Revenue



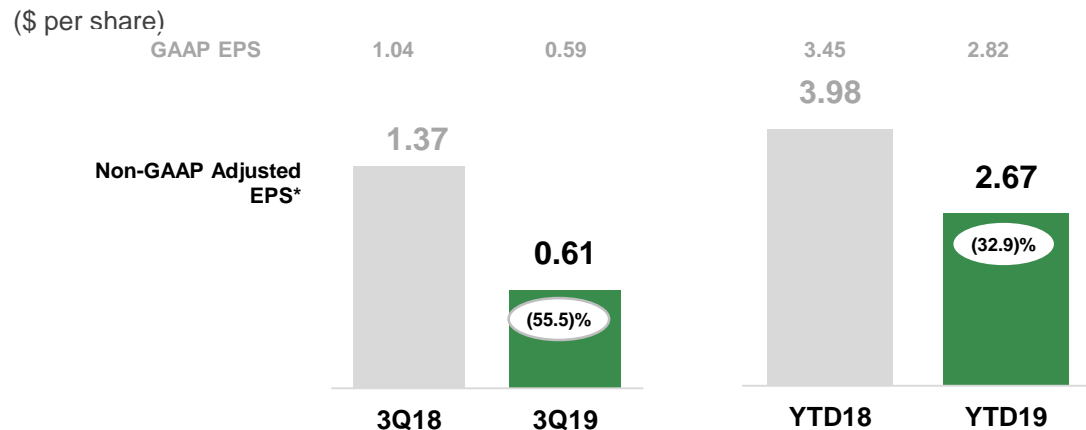
Annualized Return on Average Equity (ROE)



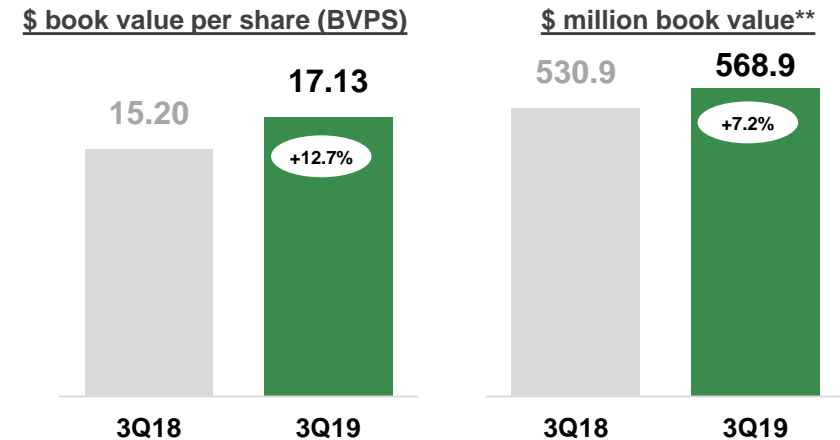
Income before income tax	51.2	27.9	164.1	132.6
Adjusted operating income*	66.8	28.5	189.5	125.5

Earnings per Diluted Share (EPS)

Positive momentum from premium growth, investment performance and returning value to shareholders through share repurchases, offset by higher core booked loss ratio, weather events above plan, and a reduced benefit from our claims adjusting business as prior year's claims conclude



Book Value, end of period



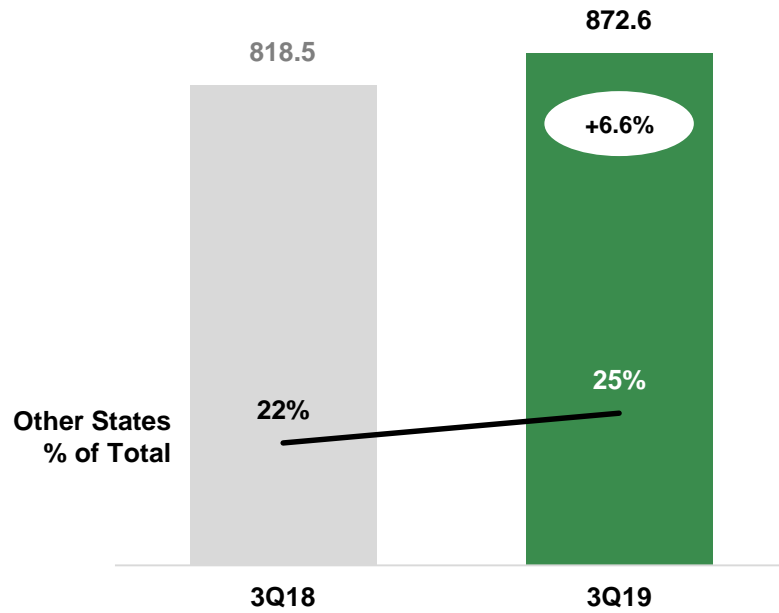
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**Excludes preferred stock

Underwriting

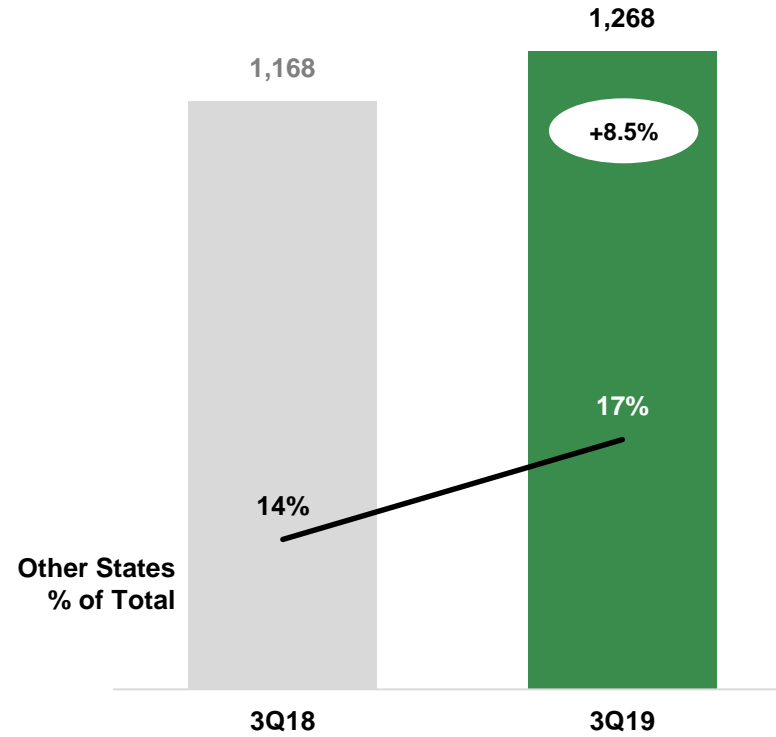
Policies in force

(thousands)



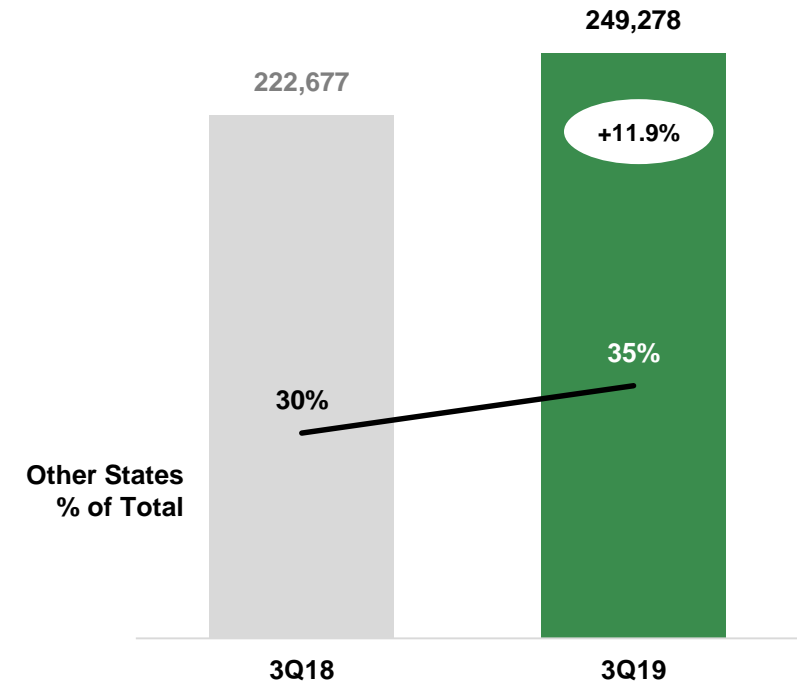
Premiums in force

(\$million)



Total Insured Value (TIV)

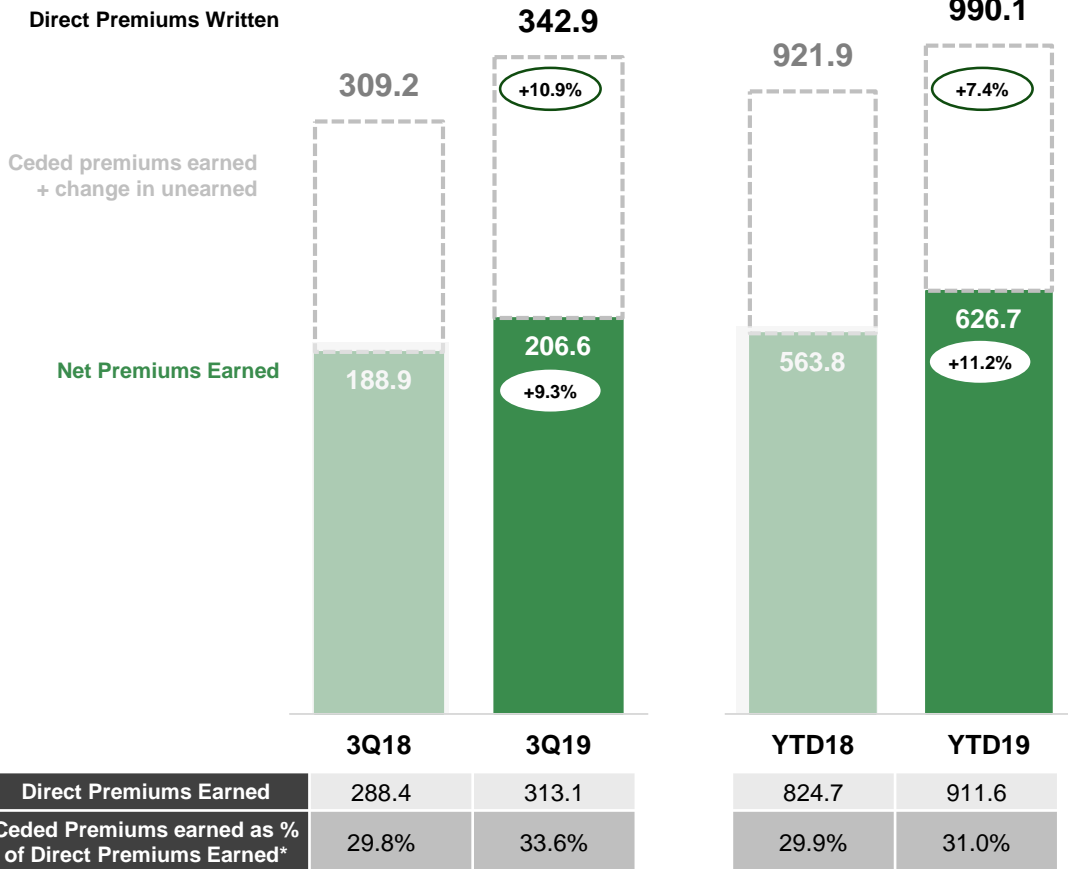
(\$million)



Underwriting

Revenue (Direct and net premiums)

(\$million)



3Q Direct premiums written up 10.9%; YTD19 up 7.4%

- 18.3% of total direct premiums written in 3Q from Other States
- 3Q other states direct premiums written up 27.6% to \$62.7M; YTD19 up 29.1% to \$170.9M
- 3Q Florida direct premiums written up 7.7% to \$280.1M; YTD19 up 3.8% to \$819.2M

3Q Ceded premiums earned (excluding reinstatement premium) as a percent of direct premiums earned increased 3.8 points to 33.6%; YTD19 up 1.1 points to 31.0%

– 3Q ceded premiums earned of \$106.5M*; YTD19 \$284.9M*

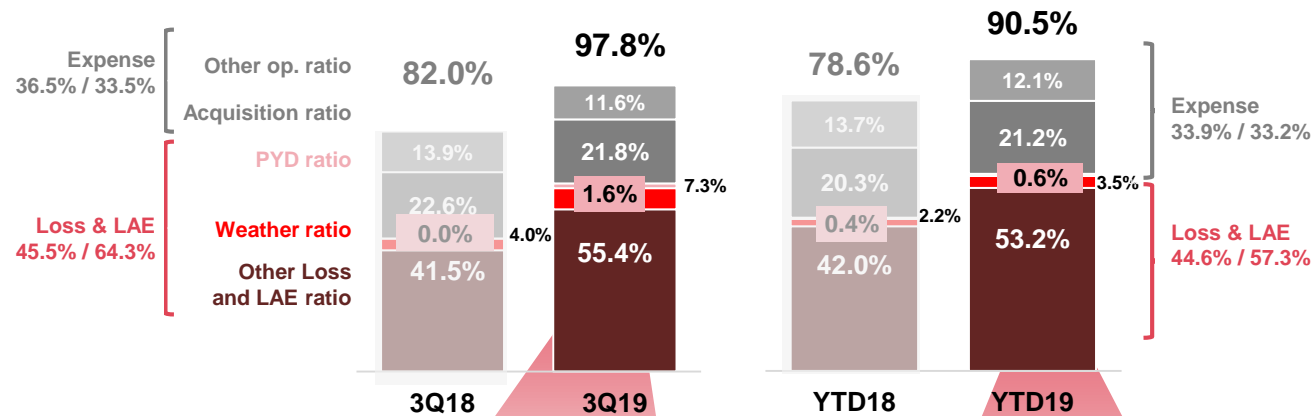
- Growth in policies in force
- Increased 2019-2020 reinsurance program effective June 1
- 3Q & YTD19 reinstatement premium, net of commissions of \$1.1M and \$2.1M due to commissions earned on reinsurance premiums associated with the reinsurance program

*Excludes reinstatement premium

Underwriting

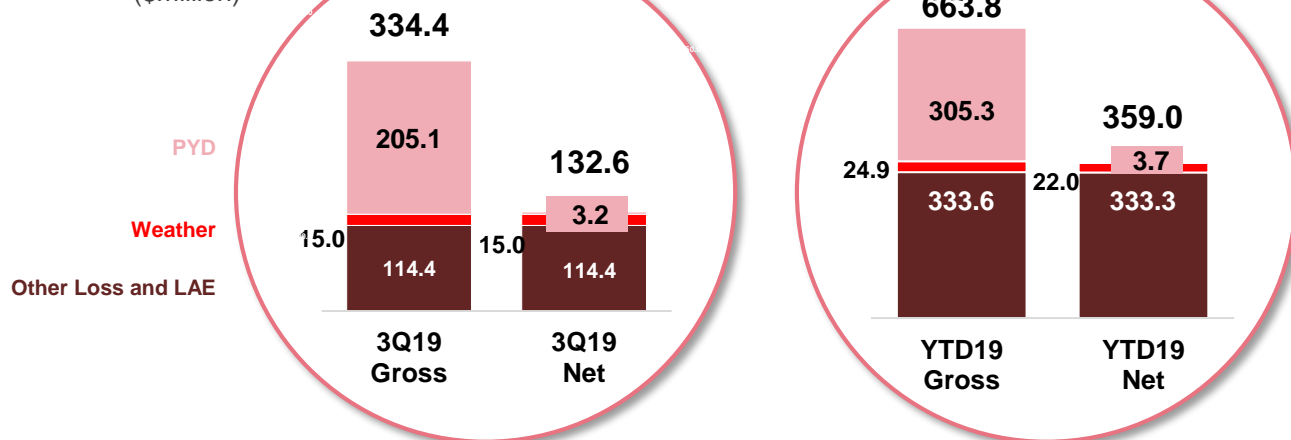
Consolidated GAAP Combined Ratio

(related expense / Net premiums earned)



Loss and LAE (gross and net of reinsurance)

(\$million)



3Q & YTD19 Expense ratio improvement driven by economies of scale, executive compensation, and higher reinstatement premiums in the prior year's comparison

3Q Other Loss and LAE: Gross and net of \$114.4M; YTD19 Gross \$333.6M, \$333.3 net

- Diversified growth
- Increase in core booked loss ratio at the start of 2019
- Reduced benefit from claims adjusting business as prior years claims conclude

3Q Prior Year Development: Gross \$205.1M, \$3.2M net; YTD19 Gross \$305.3M, \$3.7M net related to prior years catastrophe events

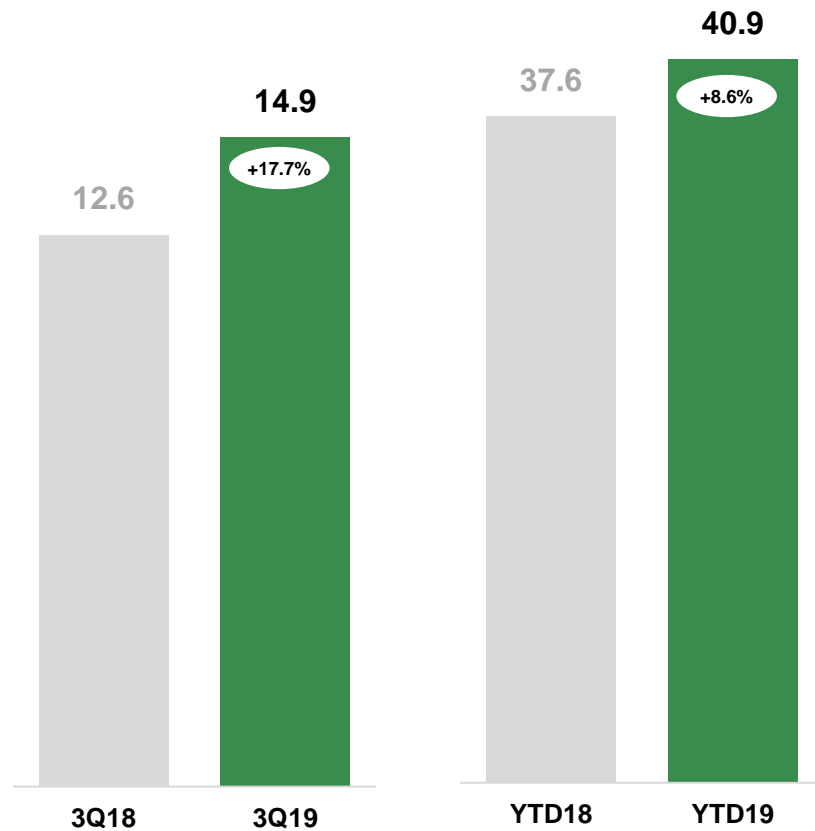
3Q Weather events in excess of plan: Gross and net of \$15.0M; YTD19 Gross \$24.9M, \$22.0M net

- 1Q19 hail storm that affected Brevard County, Florida
- 2Q19 weather events in excess of plan related to a series of wind events in the southeastern states
- 3Q19 weather events that impacted Minnesota and southeastern states, including Hurricane Dorian

Services

Revenue

(\$million)

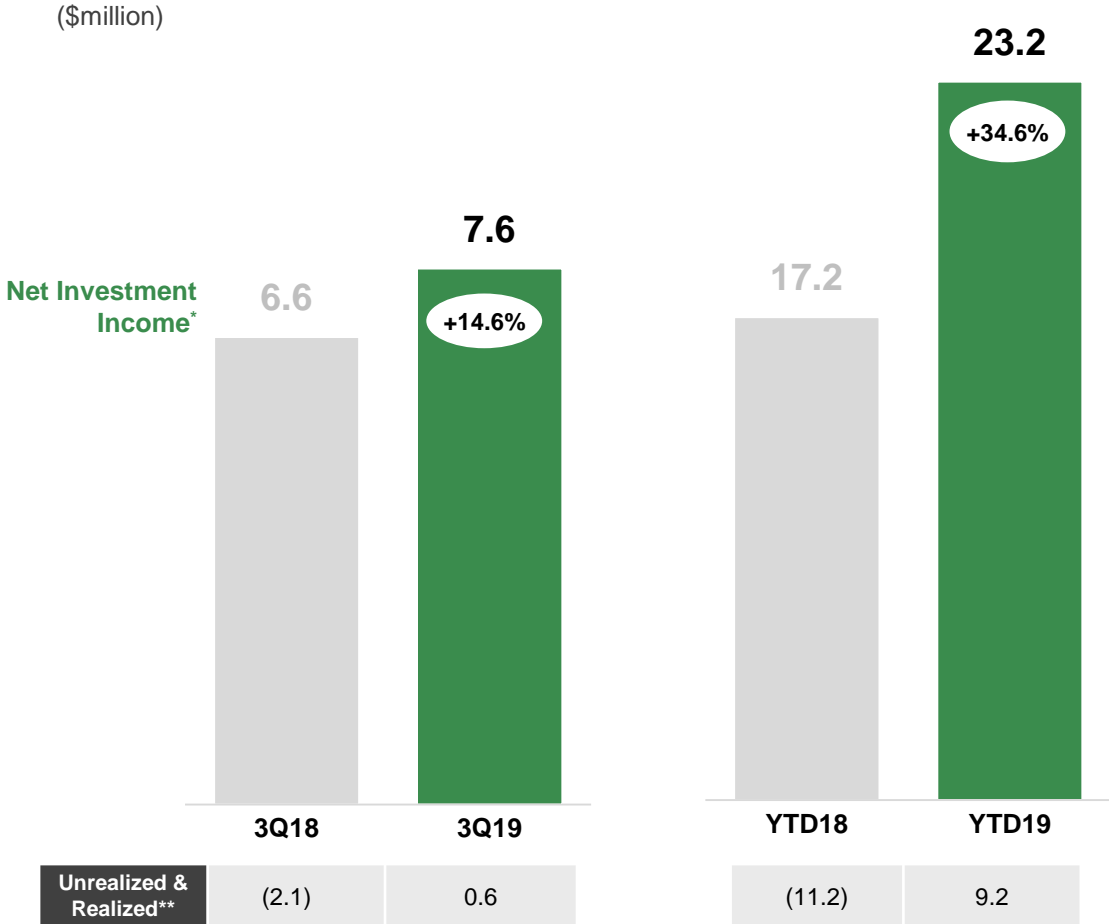


3Q Services revenue up 17.7%; YTD19 up 8.6%

- 3Q risk management commissions up 30.4% to \$7.4M; YTD19 up 13.8% to \$18.9M
- 3Q MGA policy fees up 7.0% to \$5.6M; YTD19 up 5.4% to \$16.6M
- 3Q policy installment fees, premium financing, and other revenue up 8.2% to \$1.9M; YTD19 up 2.1% to \$5.4M

Investments

Net investment income



3Q Total unrestricted cash and invested assets up 2.1% to \$1.1B since 4Q18

- Invested Assets: \$937.4M
- Unrestricted cash: \$159.6M

3Q Net investment income up 14.6% to \$7.6M; YTD19 up 34.6% to \$23.2M

- Increased assets under management
- Optimized portfolio asset mix and duration strategies
- Yield from the fixed income portfolio is dependent on future market forces, monetary and interest rate policy from the Federal Reserve
- Average fixed income credit rating of A+ during 3Q19

*Includes interest earned on restricted cash and cash equivalents and investment income earned on real estate investments. Net of custodial fees, investment accounting, advisory fees and expenses associated with real estate investments

** Net unrealized and realized gains (losses) on investments