



Second Quarter 2019 Results

Earnings Call Presentation

August 1, 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," 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 second quarter of 2019, filed with the SEC as an exhibit to a Current Report on Form 8-K on July 31, 2019, and also available on the Company's website at <https://UniversallInsuranceHoldings.com> under "Investors" with the subheading of "Earnings Releases."

2Q19 & 1H19: Strong progress against strategic priorities

1 Focus on disciplined growth

- Total revenue up 11.4%; 1H19 up 17.2%.
- Other states (Non-Florida) direct premiums written up 28.7%; 1H19 up 29.9%.
- Diluted GAAP EPS of \$1.08, non-GAAP adjusted EPS* of \$1.05.
- 1H19 Annualized return on average equity of 28.7%; 1H19 combined ratio of 87.1%.

2 Maintain strong balance sheet

- Our 2019-2020 reinsurance program secured more catastrophe coverage than at any point in Company's history.
- YoY Book value per share up 17.4%.
- YoY total unrestricted cash and invested assets up 6.2% to \$1.1B.

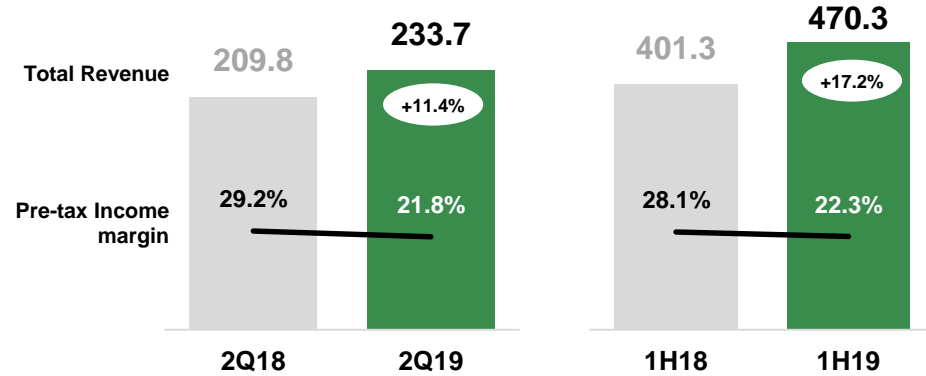
3 Maximize earnings stability

- Rate increases effective in Florida, Georgia, Massachusetts, Minnesota, and Pennsylvania.
- Expanding our addressable market with Universal Property becoming licensed in Wisconsin.
- Became licensed in more than 15 states and added five carrier appointments to our digital insurance distribution channel CloveredSM.

2Q19 and 1H19 financial results

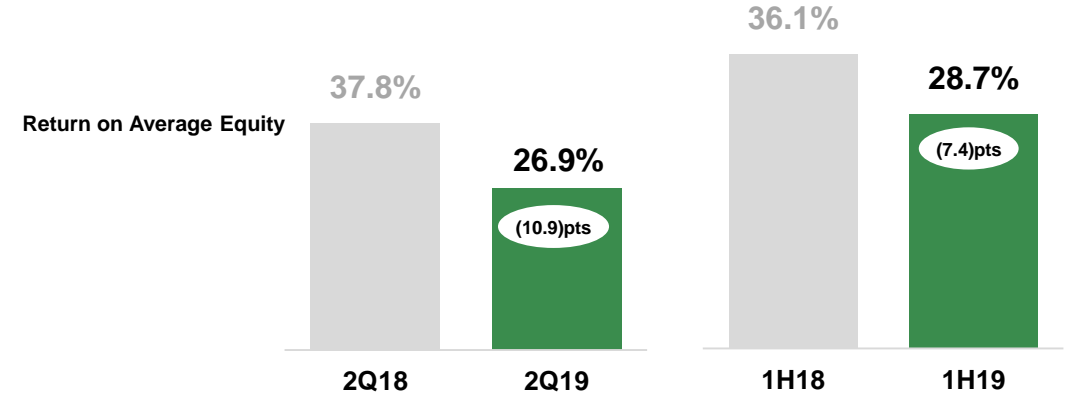
Total Revenue

(\$million) Premium volume, pricing, and investment portfolio driving growth, partially offset by realized losses related to underperforming equity securities



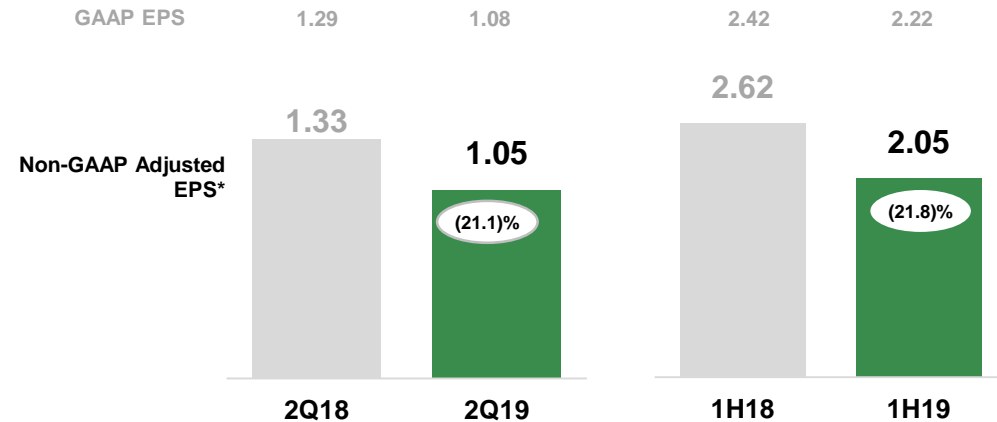
Income before income tax	61.2	50.9	112.9	104.7
Adjusted operating income*	63.2	49.7	122.7	97.0

Annualized Return on Average Equity (ROE)

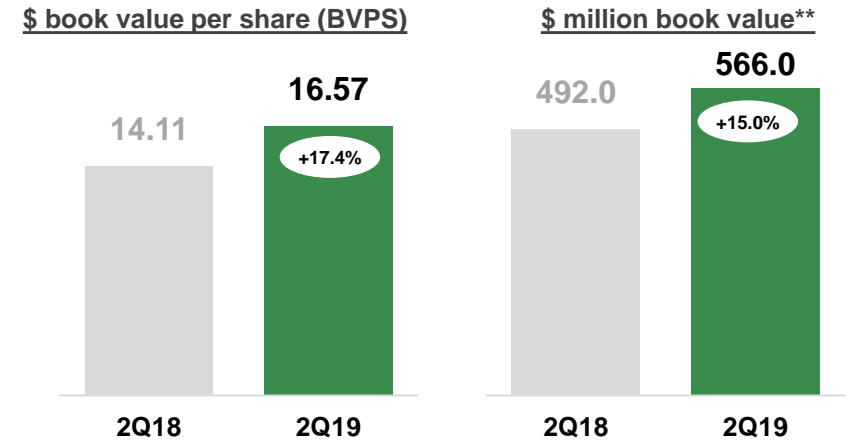


Earnings per Diluted Share (EPS)

(\$ per share) Geographically diversified growth, increased estimated losses, a reduced benefit from our claims adjusting business, non-recurring acquisition cost benefit in 2Q18, and higher effective tax rate



Book Value, end of period



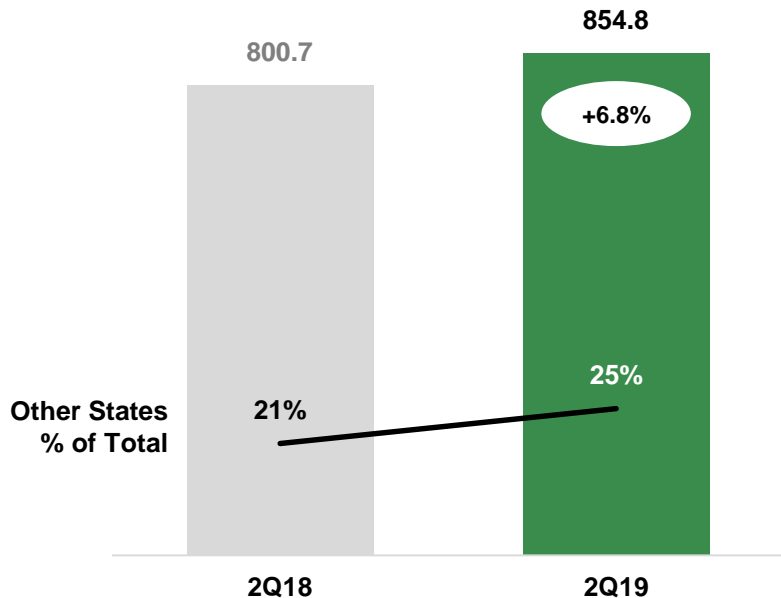
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**Excludes preferred stock

Underwriting

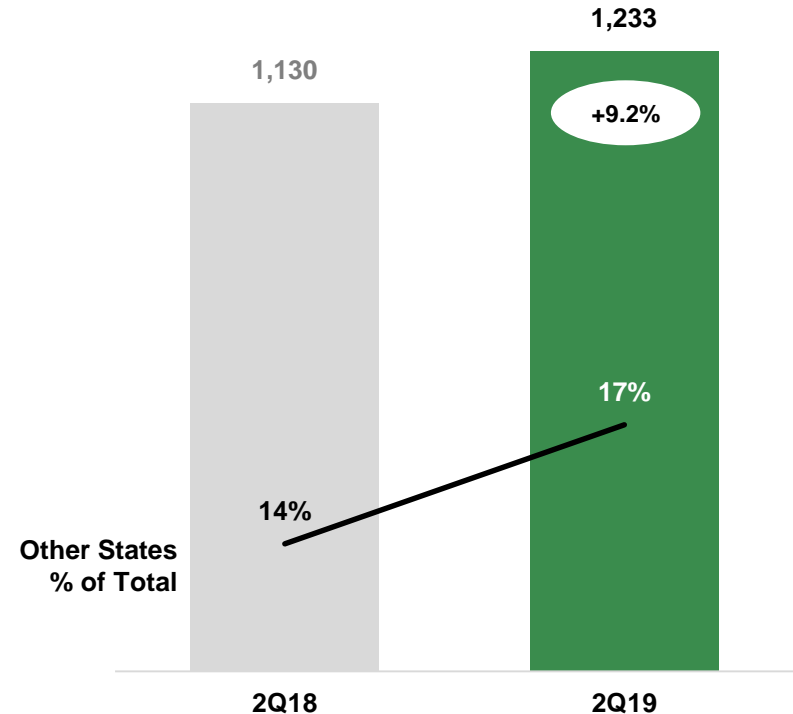
Policies in force

(thousands)



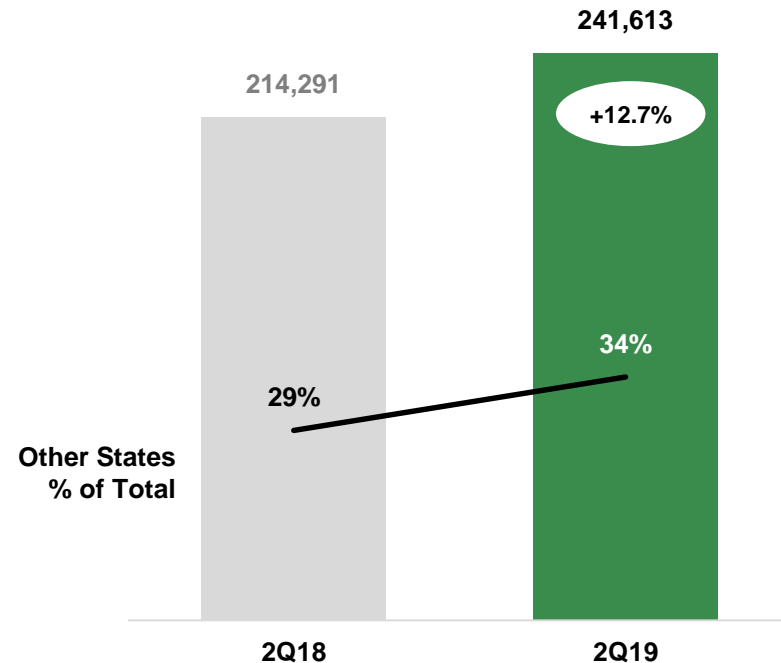
Premiums in force

(\$million)



Total Insured Value (TIV)

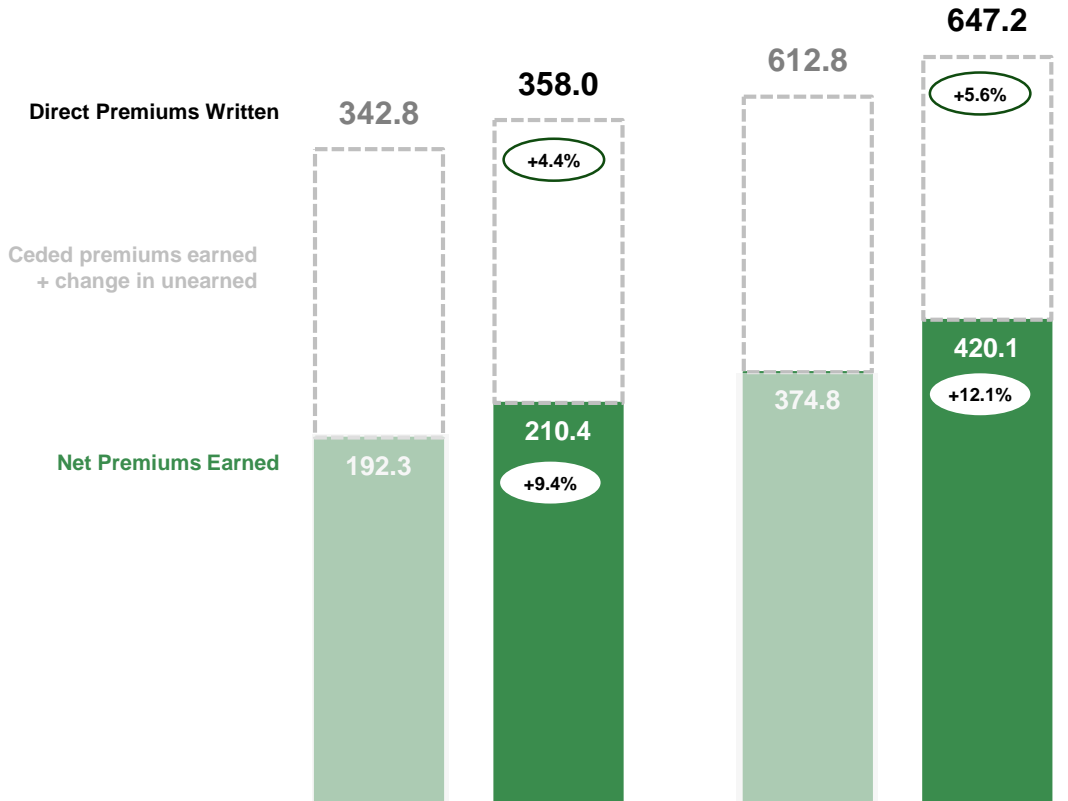
(\$million)



Underwriting

Revenue (Direct and net premiums)

(\$million)



2Q18

2Q19

1H18

1H19

Direct Premiums Earned	274.0	303.1
Ceded Premiums earned as % of Direct Premiums Earned*	29.7%	30.3%

Direct Premiums Earned	536.3	598.5
Ceded Premiums earned as % of Direct Premiums Earned*	30.0%	29.7%

2Q Direct premiums written up 4.4%; 1H19 up 5.6%

- 17.1% of total direct premiums written in 2Q from Other States
- 2Q other states direct premiums written up 28.7% to \$61.1M; 1H up 29.9% to \$108.2M
- 2Q Florida direct premiums written up 0.5% to \$296.9M; 1H up 1.8% to \$539.0M

2Q Ceded premiums earned (excluding reinstatement premium) as a percent of direct premiums earned increased 60 basis points to 30.3%; 1H19 down 30 basis points

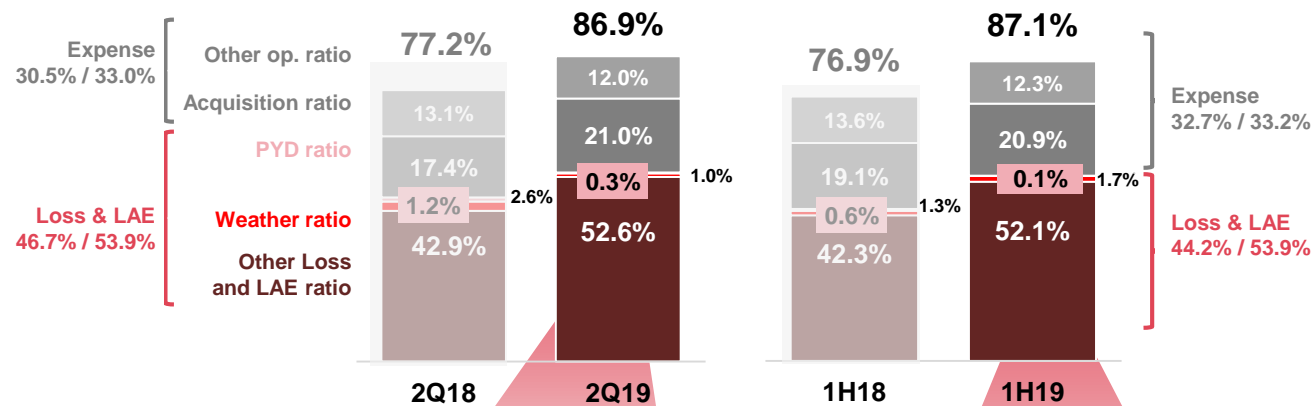
- 2Q ceded premiums earned of \$91.8M*; 1H19 \$177.5M*
 - Growth in policies in force
 - Increased 2019-2020 reinsurance program effective June 1
 - 2Q & 1H19 reinstatement premium, net of commissions of \$885K due to commissions earned on reinsurance premiums associated with the reinsurance program

*Excludes reinstatement premium

Underwriting

Consolidated GAAP Combined Ratio

(related expense / Net premiums earned)



2Q & 1H19 Expense ratio increase driven primarily by a non-recurring benefit recorded in 2018 related to a refund of prior year premium taxes

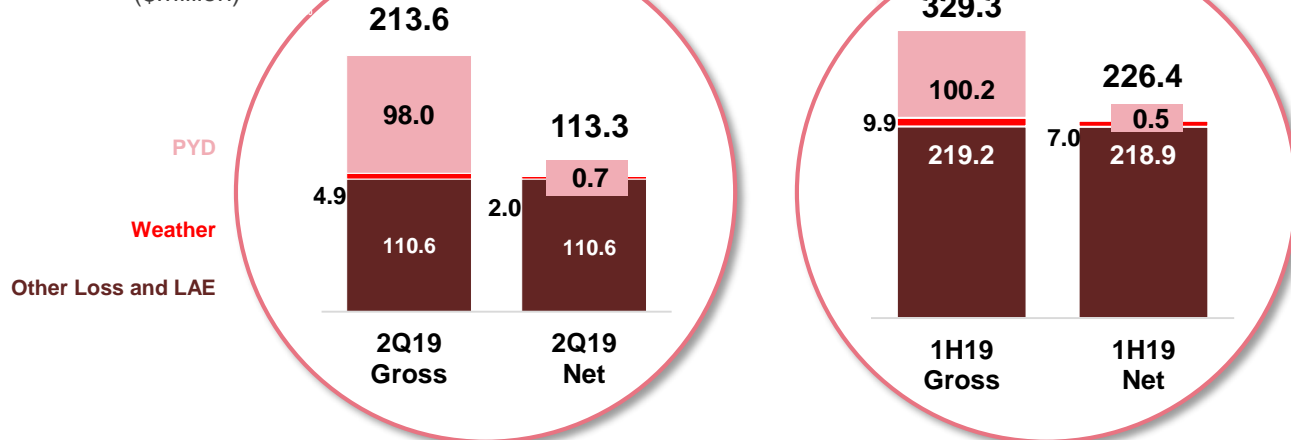
- When excluding a non-recurring benefit of \$6.5M (recorded in 2018), the expense ratio improves by 90 basis points on a quarterly basis and 120 basis points on a first half year basis, respectively

2Q Other Loss and LAE: Gross \$110.6M, \$110.6M net; 1H19 Gross \$219.2M, \$218.9 net

- Increased losses in connection with the growth in our underlying business, increased core booked loss ratio to bolster reserves, and a reduced benefit from claims adjusting business as prior years claims conclude

Loss and LAE (gross and net of reinsurance)

(\$million)



2Q Prior Year Development: Gross \$98.0M, \$670K net; 1H19 Gross \$110.2M, \$485K net

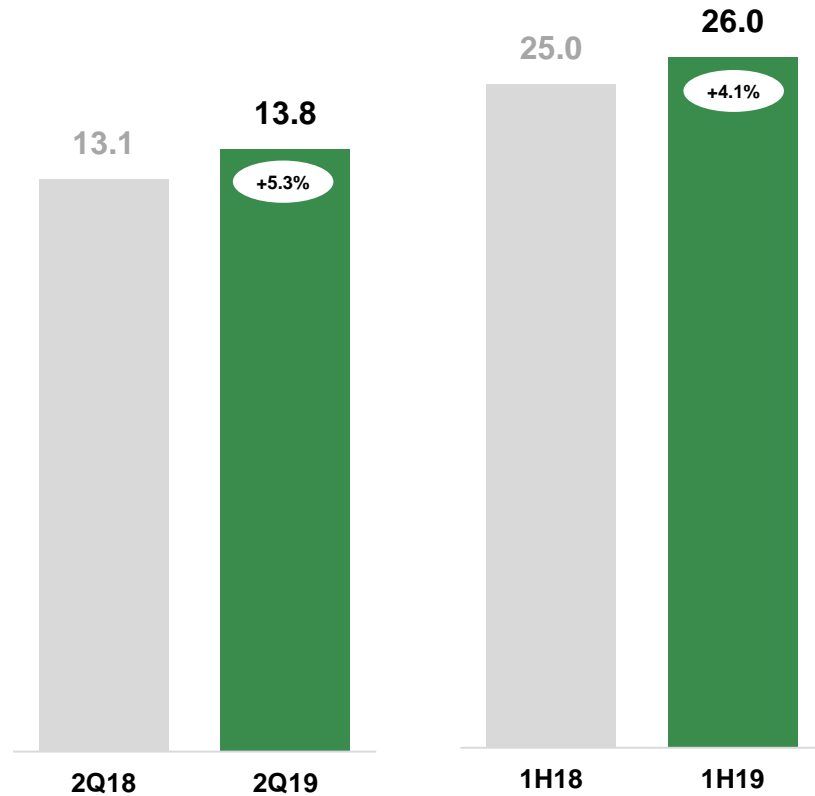
2Q Weather loss: Gross \$4.9M, \$2.0M net; 1H19 Gross \$9.9M, \$7.0M net

- 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

Services

Revenue

(\$million)

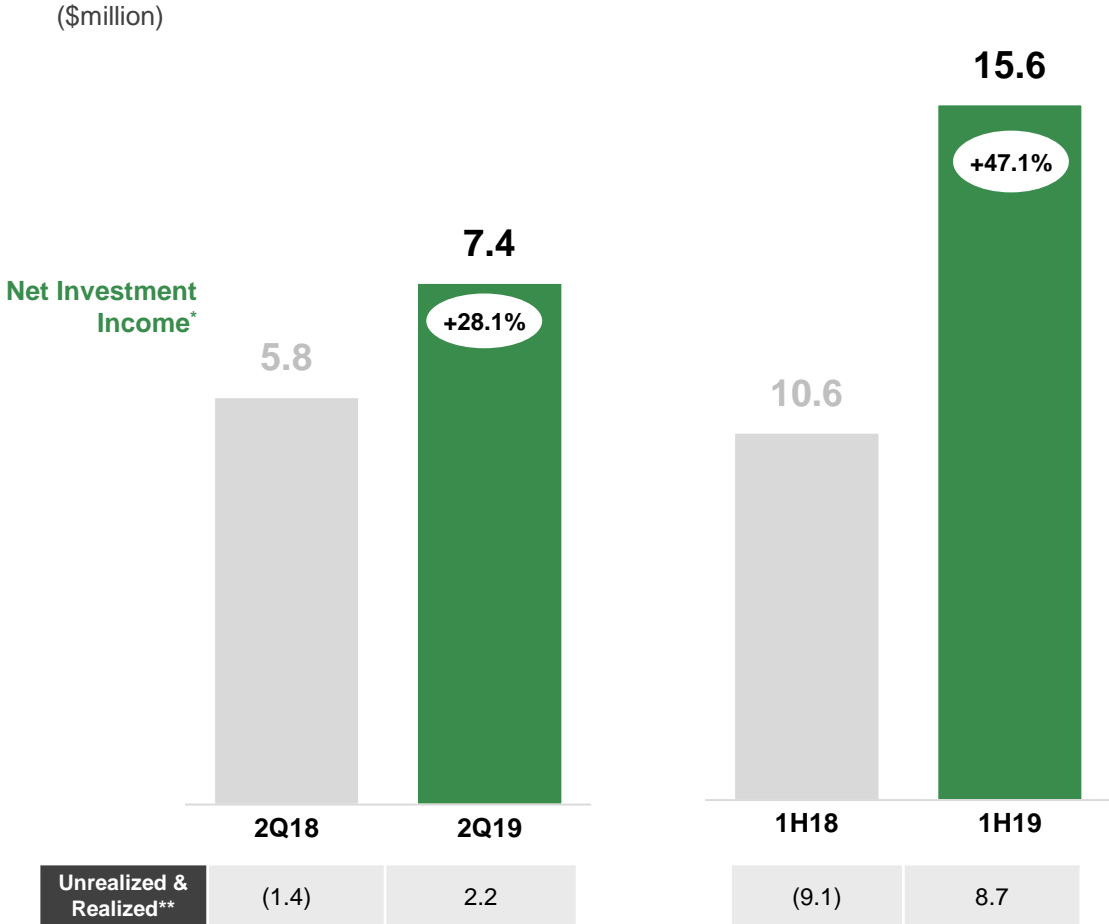


2Q Services revenue up 5.3%; 1H19 up 4.1%

- 2Q risk management commissions up 5.9% to \$6.0M; 1H19 up 5.2% to \$11.6M
- 2Q MGA policy fees up 4.0% to \$6.0M; 1H19 up 4.5% to \$11.0M
- 2Q policy installment fees, premium financing, and other revenue up 7.5% to \$1.8M; 1H19 down 1.0% to \$3.4M

Investments

Net investment income



2Q Total unrestricted cash and invested assets up 6.2% to \$1.1B

- Invested Assets: \$942.3M
- Unrestricted cash: \$181.6M

2Q Net investment income up 28.1% to \$7.4M; 1H19 up 47.1% to \$15.6M

- Increased cash and invested assets
- Optimizing portfolio asset mix. 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 2Q19

*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