



**Third Quarter 2014 Conference Call
November 11, 2014**



Safe Harbor

Statements in this presentation, including the information set forth as to the future financial or operating performance of Atlas Financial Holdings, Inc., American Country Insurance Company, American Service Insurance Company and/or Gateway Insurance Company (collectively, “Atlas”), that are not current or historical factual statements may constitute “forward looking” information within the meaning of securities laws. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Atlas, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this presentation, such statements may include, among other terms, such words as “may,” “will,” “expect,” “believe,” “plan,” “anticipate,” “intend,” “estimate” and other similar terminology. These statements reflect current expectations, estimates and projections regarding future events and operating performance and speak only as to the date of this presentation. Readers should not place undue importance on forward looking statements and should not rely upon this information as of any other date. These forward looking statements involve a number of risks and uncertainties. Some of the factors facing Atlas that could cause actual results to differ materially from those expressed in or underlying such forward looking statements include: (i) market fluctuations, changes in interest rates or the need to generate liquidity; (ii) access to capital; (iii) recognition of future tax benefits on realized and unrealized investment losses; (iv) managing expansion effectively; (v) conditions affecting the industries in which we operate; (vi) competition from industry participants; (vii) attracting and retaining independent agents and brokers; (viii) comprehensive industry regulation; (ix) our holding company structure; (x) our ratings with A.M. Best; (xi) new claim and coverage issues; (xii) claims payments and related expenses; (xiii) reinsurance arrangements; (xiv) credit risk; (xv) our ability to retain key personnel; (xvi) our ability to replace or remove management or Directors; (xvii) future sales of common shares; (xviii) public company challenges; and (xix) failure to effectively execute our business plan. The foregoing list of factors is not exhaustive. See also “Risk Factors” listed in the Company’s most recent registration statement filed with the SEC. Many of these issues can affect Atlas’ actual results and could cause the actual results to differ materially from those expressed or implied in any forward looking statements made by, or on behalf of, Atlas. Readers are cautioned that forward looking statements are not guarantees of future performance, and should not place undue reliance on them. In formulating the forward looking statements contained in this presentation, it has been assumed that business and economic conditions affecting Atlas will continue substantially in the ordinary course. These assumptions, although considered reasonable at the time of preparation, may prove to be incorrect.

When discussing our business operations, we may use certain terms of art which are not defined under U.S. GAAP. In the event of any unintentional difference between presentation materials and our GAAP results, investors should rely on the financial information in our public filings.

Atlas Snapshot

NASDAQ: AFH (at 9/30/2014)	
Corporate Headquarters	Elk Grove Village, IL (Chicago suburb)
Subsidiaries / Brands (see below)	American Country American Service Gateway (including Alano)
Core Target Markets	Taxi / Limo / Paratransit
Cash and Investments	\$179.1 million
Total Assets	\$274.3 million
Total Shareholders' Equity	\$99.5 million
Common Shares Outstanding	11.8 million
Book Value Per Common Share	\$8.24



COMMITMENT
since 1978

EXPERTISE
specialty commercial auto

Strong Quarterly Execution

Continued execution on multi-year growth strategy with 31.1% increase in GWP in Q3'14 to \$42.0 million

Combined ratio improved to 89.6% as company continues to see improving rate environment

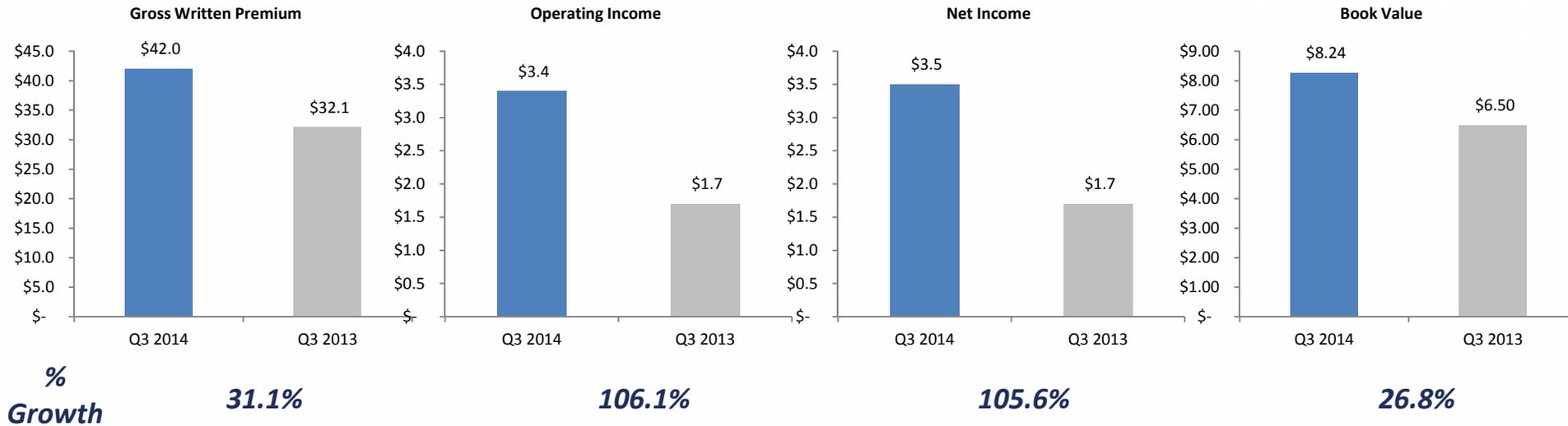
EPS of \$0.29 / Annualized Return on Average Common Equity of 14.5%

Pending acquisition of Global Liberty Insurance of New York accelerates trend toward proportionate market share

Potential to write \$400 million without disproportionate market share

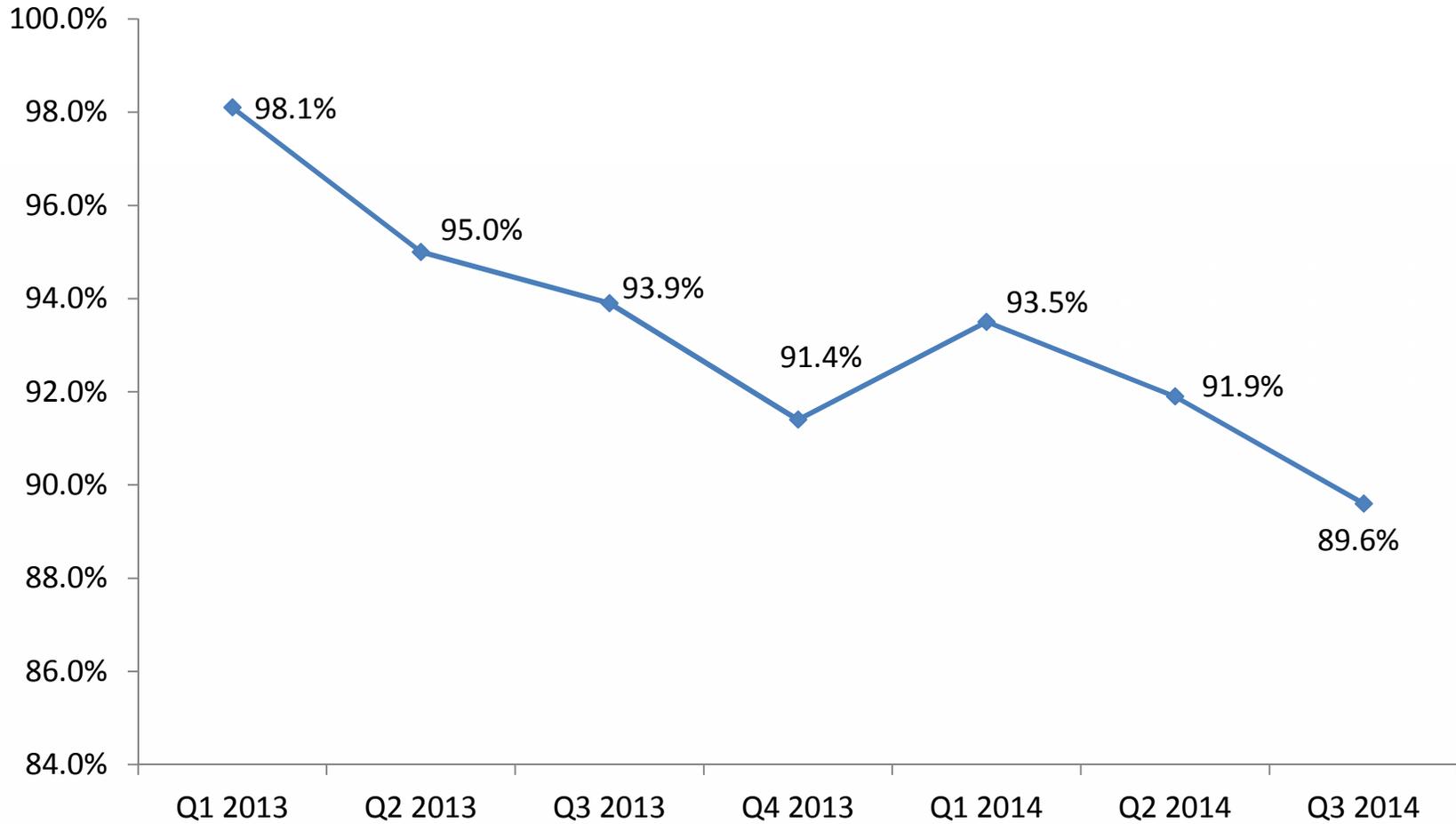
- Significant portion of growth from re-capture business (approx. 70% of current book)
- Addressable market grew almost 20% in past two years to \$2 Billion

2014 Third Quarter Underwriting / Financial Highlights



Considerable Underwriting Margin Improvement Since 2013 U.S. IPO

Combined Operating Ratio ("COR")

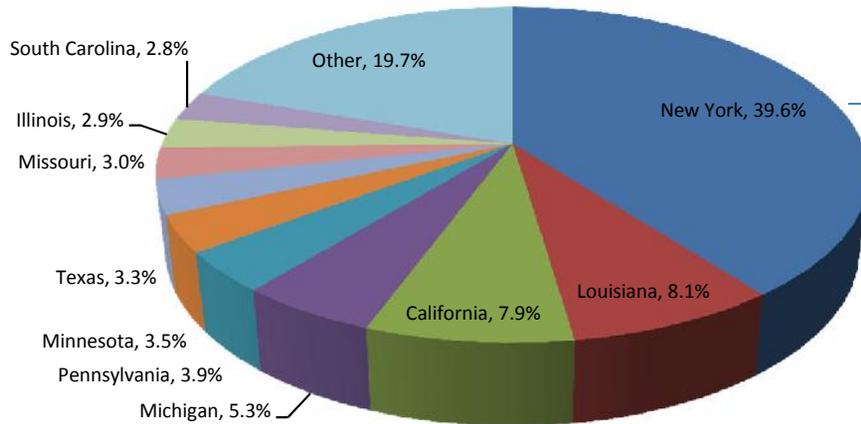


Geographic Diversification

Gross premium written by state (\$ in '000s)

	Three Month Periods Ended				Nine Month Periods Ended			
	30-Sep-14		30-Sep-13		30-Sep-14		30-Sep-13	
	Premium	% of Book (Q)	Premium	% of Book (Q)	Premium	% of Book (Q)	Premium	% of Book (Q)
New York	\$16,645	39.6%	\$14,638	45.6%	\$25,313	26.3%	\$19,084	26.9%
Louisiana	3,415	8.1%	2,863	8.9%	4,995	5.2%	4,472	6.3%
California	3,317	7.9%	1,249	3.9%	5,908	6.1%	2,834	4.0%
Michigan	2,226	5.3%	1,967	6.1%	8,130	8.5%	6,079	8.6%
Pennsylvania	1,631	3.9%	124	0.4%	2,169	2.3%	393	0.6%
Minnesota	1,481	3.5%	1,149	3.6%	5,217	5.4%	3,410	4.8%
Texas	1,388	3.3%	992	3.1%	2,377	2.5%	2,957	4.2%
Missouri	1,267	3.0%	749	2.3%	2,499	2.6%	1,759	2.5%
Illinois	1,223	2.9%	1,962	6.1%	12,171	12.7%	9,939	14.0%
South Carolina	1,185	2.8%	534	1.7%	2,943	3.1%	1,422	2.0%
Other	8,268	19.7%	5,848	18.3%	24,349	25.3%	18,641	26.1%
Total	\$42,046	100.0%	\$32,075	100.0%	\$96,071	100.0%	\$70,990	100.0%

Gross premium written by state (\$ in '000s)
Three Months Ended 9/30/2014

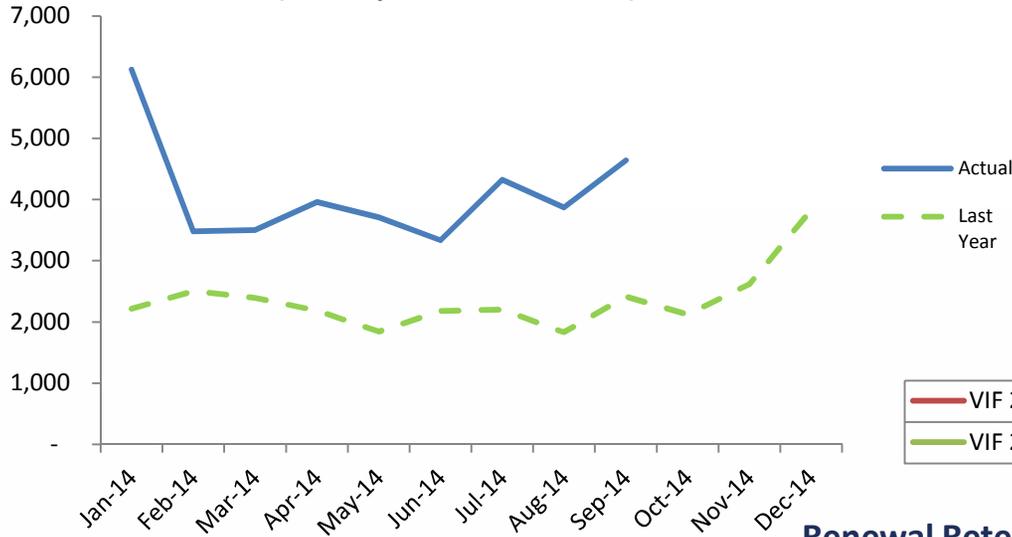


Includes impact of excess tax program, which historically renews in Atlas' third quarter

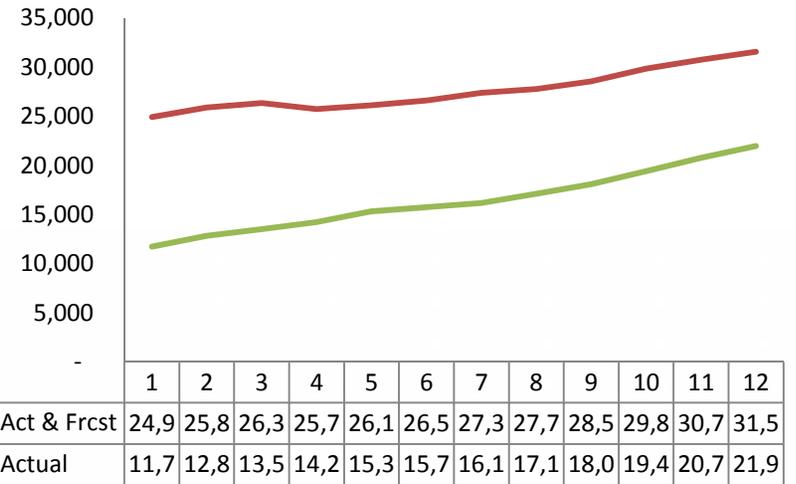
Operating Activities: Underwriting

(commercial business only)

New Business Submissions (Monthly Vehicles Submitted)



Vehicles in Force



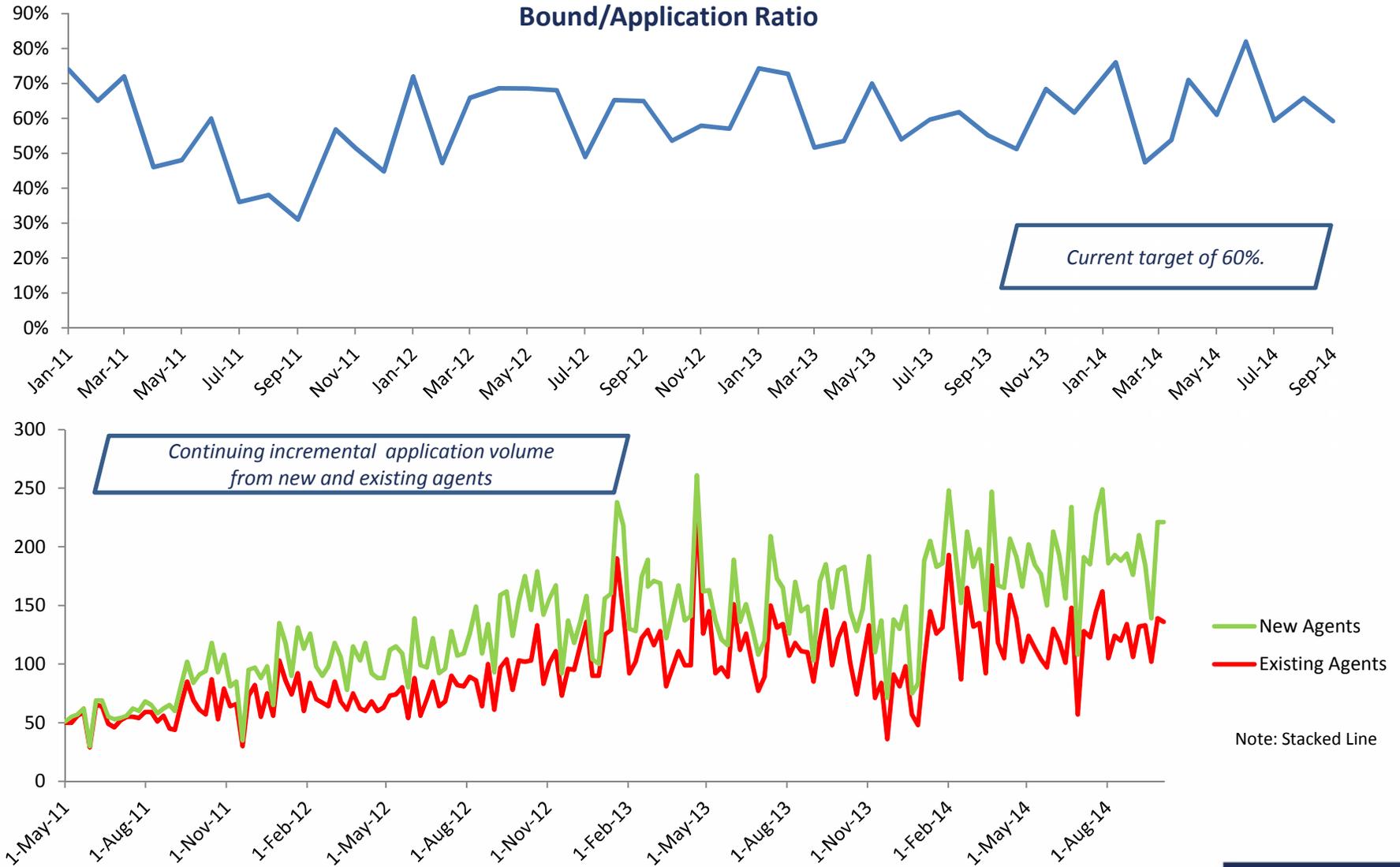
Renewal Retention (Policy Count)



Target of 85%
based on
current market
conditions

Operating Activities: Underwriting

(commercial business only)



Market Overview



General Market Observations

- Atlas is continuing to see steady rate increases across all lines within its light commercial base (Taxi / Para-transit / Livery)
- Company is now beginning to see full effects of competitors exiting its niche market

	Small Accounts	Medium Accounts	Large Accounts	Average
Third Quarter 2014	1.1%	0.3%	-1.1%	0.1%
Second Quarter 2014	1.2%	-0.2%	-2.6%	-0.5%
First Quarter 2014	3.0%	1.6%	-0.1%	1.5%
Fourth Quarter 2013	2.6%	2.4%	1.4%	2.1%
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
High (2001,Q4)	20.8%	31.7%	33%	28.5%
Low (2007,Q3)	-10% (2008, Q1)	-15%	-15.9%	-13.3%

Majority of Atlas' Target Market are Individual Entrepreneurs and Small Fleet Operators;
Rate declined driven by larger accounts / Property

BY LINE:	Commercial Auto
Third Quarter 2014	2.6%
Second Quarter 2014	1.7%
First Quarter 2014	3.3%
Fourth Quarter 2013	3.0%
Third Quarter 2013	3.3%
High	28.6%
Low	--11.6%

Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Impact of Pricing Progression for Atlas Financial

Niche insurance business that produces underwriting profits through all market cycles

Loss Ratio 70%	Loss Ratio 60%	Loss Ratio 50%
Historical results from Atlas' insurance subsidiaries have continued to produce loss ratios in the 70% range during soft market cycles	Consistent with Atlas' current loss ratio of 62.2% in Q3 2014.	Loss ratios for the insurance companies we own were in the low 50's for multiple years in prior hard market cycles.
Combined Ratio of 95 – 97% ¹	Combined Ratio will drop as expenses continue to trend towards the following range.	Combined Ratio of 75 – 77% ¹
Combined Ratio of 85 – 87% ¹	Current Investment Yield of 2.0% on total portfolio of 1.5X net premium earned	Current Investment Yield of 2.0% on total portfolio of 1.5X net premium earned
Current Investment Yield of 2.0% on total portfolio of 1.5X net premium earned	Tax rate of 34% ²	Tax rate of 34% ²
Tax rate of 34% ²	After tax ROE:	After tax ROE:
After tax ROE:	21% - 24%	34% - 37%
8% - 11%		

Carried loss ratio is approaching 60% with new business pricing in 50's

¹ Assumptions: Expense ratio of between 25-27% (Acquisition Costs = 15% / OUE = 10-12%)
Company operating at efficient scale with 2:1 NWP Surplus Ratio

² Based on existing DTA's, the 1st \$2.6 mil of income is tax free from a cash perspective through 2032.

Financial Highlights



Q3 2014 Financial Highlights (comparisons to prior year period)

- Gross premium written increased by 31.1% to \$42.0 million
- Underwriting results improved to \$1.6 million, a 143.2% increase
- Net income was up to \$3.5 million from \$1.7 million
- Earnings per diluted common share were \$0.29, representing a \$0.12 increase from the third quarter of 2013 before the impact related to the \$1.8 million discount upon redemption of preferred stock that occurred in the third quarter of 2013
- Combined ratio declined by 4.3 percentage points to 89.6%, which included costs related to an increase in hiring in anticipation of continuing growth

	Three Month Period Ended			
	Sept.30, 2014		Sept 30, 2013	
Loss ratio	62.2	%	63.4	%
Acquisition cost ratio	14.4	%	15.9	%
Other underwriting expense ratio	13.0	%	14.6	%
Combined ratio	89.6	%	93.9	%

Detailed Impact of Changes to Book Value per Common Share

Book Value per Common Share		
(in '000s, except for shares and per share data)	Sept.30, 2014	December 31, 2013
Shareholders' equity	\$99,474	\$63,698
Less: Preferred stock in equity	2,000	2,000
Less: Accumulated dividends on preferred stock	160	90
Common equity	\$97,314	\$61,608
Shares outstanding (includes Restricted Stock Units)	11,808,624	9,424,734
Book value per common share outstanding	\$8.24	\$6.54

YTD 2014 Book Value Changed by \$1.70 relative to December 31, 2013

Impacted by:

\$0.94	Increase related to issuance of 2,161,000 common shares during Q2 2014
0.46	Increase in net income after tax
0.11	Increase related to change in unrealized gains/losses after tax
0.24	Increase related to change in DTA valuation allowance
(0.04)	Reduction due share-based compensation
<u>(0.01)</u>	Accumulated preferred stock dividends
\$1.70	Total Change From December 31, 2013 Book Value per Common Share

Strong Balance Sheet

- **Attractive investment leverage**
- **Long Term Debt-free balance sheet**

(\$ in millions)	September 30, 2014	December 31, 2013
Cash and Investments	\$179.2	\$139.9
Total Assets	\$274.3	\$219.3
Claim Reserves (Gross of Reinsurance) ^{(1) (2)}	\$98.6	\$101.4
Unearned Premiums	\$62.9	\$44.2
Total Shareholders' Equity	\$99.5	\$63.7

- **Acquisitions with adverse development protection**

(1) Atlas' purchase of American Country and American Service included \$10 million limit of adverse development protection (90% quota share after \$1 million) based on reserves as of September 30, 2010, which has not been utilized.

(2) Gateway Acquisition included \$2 million of adverse development protection

Investment Portfolio

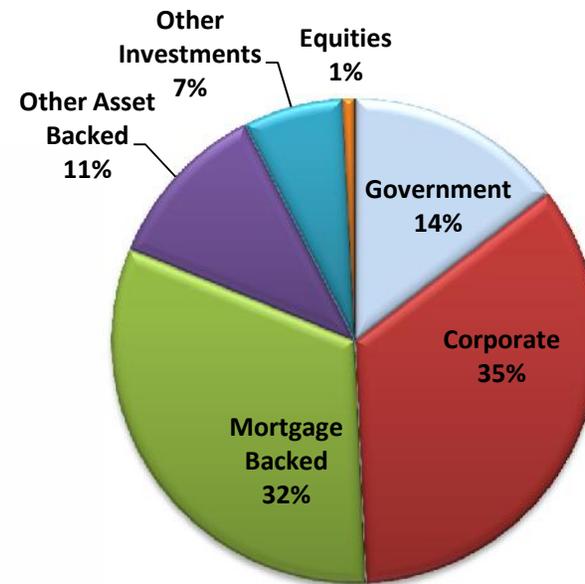
Conservative Investment Approach

- Emphasize preservation of capital, market liquidity to support payment of liabilities and diversification of risk
- Investment duration re-positioned to match core commercial auto reserve liabilities (4.3 years)

Investment Portfolio

- As of Sept. 30, 2014, total investments equaled \$137.4 million, of which fixed income consisted of 92.5%
- Predominantly corporate and government bonds
- Average S&P rating of AA
- 86.4% A or better

Investment Portfolio (9/30/2014) ⁽¹⁾



Credit ratings of fixed income securities portfolio (in '000s)

As of:	September 30, 2014		December 31, 2013	
	Amount	% of Total	Amount	% of Total
AAA/Aaa	\$74,100	58.7 %	\$76,616	59.8 %
AA/Aa	\$11,624	9.2 %	\$12,733	10.0 %
A/A	\$23,329	18.5 %	\$23,624	18.5 %
BBB/Baa	\$17,152	13.6 %	\$14,995	11.7 %
Total Securities	\$126,205	100.0 %	\$127,968	100.0 %

(1) American Country Insurance Company, American Service Insurance Company, Inc. and Gateway Insurance Company

Outlook for 2014 / 2015



Global Liberty Insurance Acquisition

Previously stated goal:

Near term focus on transactions within current niche markets to accelerate progress towards proportionate market share



- Based in Melville, NY
- Founded in 2003 (founder has 25+ yrs experience)
- Admitted carrier in 14 states
- Focused on insuring limousine, black car, and luxury vehicles

- On October 17th, Atlas announced Definitive Agreement to Acquire Global Liberty Insurance Company of New York for approximately \$25 million
- Currently underwrites \$40 million of annual commercial auto direct written premiums (majority in large New York market)
- Estimated annual pre-tax income is approximately \$4 million on a pro-forma basis

Benefits to Atlas

- Highly complementary to existing infrastructure
- Increases presence in largest U.S. commercial auto market
- Accelerates ability to grow premium during the current favorable market cycle
- Increases operating leverage with profitable premium in core niche market

Concluding Remarks

Early Stages of Multi-year Growth Strategy

- Company's goal is focused on maximizing ROE potential in current market cycle
- Expect to exceed previously discussed \$200 million in gross premiums written in 2015
- \$400 million in written premium is proportionate share

Expanding Margins

- Combined Ratio improved 430 bps year-over-year and 850 bps in past 18 months
- Targets imply meaningful additional margin expansion with increased scale

Cyclical Tailwinds

- Market showing signs of entering a hard market
- In previous hard market, Atlas' core business experienced loss ratios in low 50's four consecutive years
- Atlas' current loss ratio approaching 60% (62.2% in Q3 2014) and pricing to better than 60%

M&A Opportunities to Accelerate Growth

- Track record of successful transactions
- Global Liberty Acquisition Expected to Accelerate Pace to Proportionate Market Share

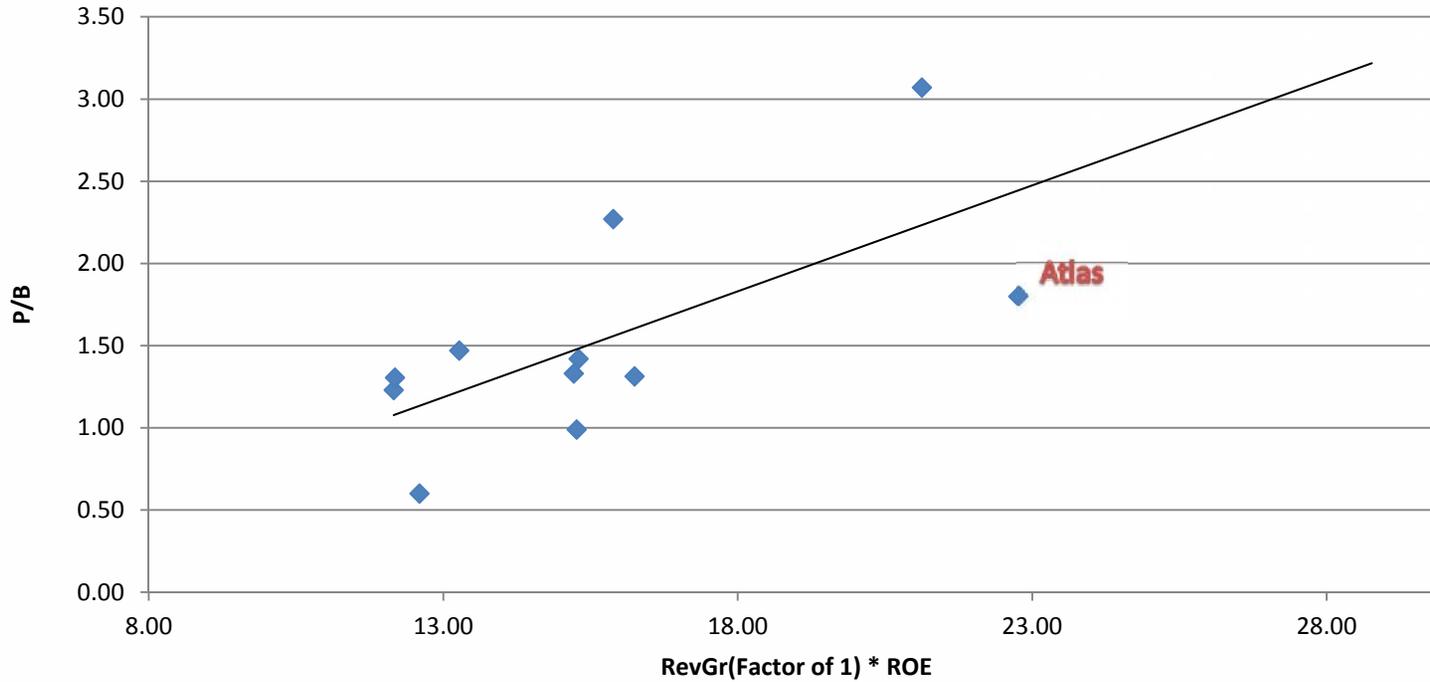
Attractive Valuation

- Targets imply shares trading at low P/E

Atlas from a Peer Perspective

Criteria

- Companies in Insurance / Financial Services with ROEs in excess of 10%
- Non-Homeowners / Property
- Comps include: ACE, WR Berkley, Chubb, Travelers, RLI,
- As of November 7, 2014 – Source: Company Filings / Bloomberg





Nasdaq: AFH

For Additional Information

At the Company:

Scott Wollney
Chief Executive Officer
swollney@atlas-fin.com
847-700-8600

Investor Relations:

The Equity Group Inc.

Adam Prior
Senior Vice President
APrior@equityny.com
212-836-9606

Terry Downs
Associate
TDowns@equityny.com
212-836-9615

