

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Federated National Insurance Company (“Federated National”) and Monarch National Insurance Company (“Monarch National”), subsidiaries of Federated National Holding Company (the “Company”), have each entered into a Reimbursement Contract (the “Contracts”), with The State Board of Administration of Florida (“SBA”) for the 2018-2019 hurricane season. The SBA is the agency that administers the Florida Hurricane Catastrophe Fund (“FHCF”).

The Contracts will reimburse Federated National and Monarch National for covered property losses under their respective homeowners’ insurance policies resulting from hurricanes that cause damage in the State of Florida, from June 1, 2018 through May 31, 2019.

Under the Contract for Federated National, the FHCF will provide approximately \$700.5 million (75% of \$934.0 million) of aggregate seasonal coverage for covered losses in excess of approximately \$297.0 million, reflecting a 25% participation by Federated National. Federated National’s premium for the FHCF reinsurance coverage will be approximately \$46.5 million.

Under the Contract for Monarch National, the FHCF will provide approximately \$24.3 million (75% of \$32.4 million) of aggregate seasonal covered losses in excess of approximately \$10.3 million, reflecting a 25% participation by Monarch National. Monarch National’s premium for the FHCF reinsurance coverage will be approximately \$1.6 million.

The Contracts are payable in three premium installments due August 1, 2018, October 1, 2018, and December 1, 2018. The actual attachment points, total coverages and costs may vary as Federated National and Monarch National continue to write new and renewal business and will not be finalized until December 31, 2018.

As is common practice within the insurance industry, a portion of the risks insured under policies are transferred to other companies through the purchase of reinsurance. The Company routinely purchases reinsurance through excess of loss type treaties from both the FHCF and multiple private reinsurance carriers. Federated National’s existing catastrophe reinsurance treaties with private reinsurance carriers from 2016 and 2017 are in effect through June 30, 2018 and certain treaties remain in effect until June 30, 2019. Monarch National’s existing catastrophe reinsurance treaties with private reinsurance carriers from 2017 are in effect through June 30, 2018. For those treaties ending on June 30, 2018 the Company will be negotiating new private excess of loss type treaties in the coming months, which will afford additional coverage to Federated National and Monarch National both separately and on a combined basis, in conjunction with the coverage provided by the FHCF, and will have a term of at least one year beginning July 1, 2018.

Item 8.01 Other Events

In connection with the Company’s review of its subsidiaries’ financial condition and capital resources as of the end of the 2017 fiscal year, the Company’s Board of Directors has approved an infusion of \$30 million of capital into Federated National effective December 31, 2017 to support Federated National’s book of business.

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: March 2, 2018 By: /s/ Ronald A. Jordan
Name: Ronald A. Jordan
Title: Chief Financial
Officer
(Principal Financial
Officer)
