



August 9, 2017

Dear Friend of NBIC,

I would like to share with you that NBIC has signed an agreement to be acquired by Heritage Insurance Holdings, a publicly-held property and casualty insurer based in Florida with \$630 million in gross premiums written. We expect the transaction to close in the fourth quarter of 2017.

Heritage has a business model that is very similar to NBIC's, focused on coastal property insurance, and we believe this acquisition by Heritage is a positive step for NBIC's future. Joining forces with Heritage will provide long-term financial resources and operational support to position NBIC for continued growth and success. We have built a great business here at NBIC together with you, and the entire management team fully intends to continue guiding the business through this process and beyond.

Because NBIC is currently owned by Pine Brook and Soros Fund Management, two private investment firms who typically sell businesses after 5-10 years of ownership, the timing of this acquisition makes perfect sense. NBIC has delivered strong and consistent financial performance, growing revenues and profit and increasing overall value. This success has attracted attention from several potential investors over the past few years. We have spoken with a number of these parties, but none have been the right fit for NBIC until now. We are excited that we have found the right partner to take NBIC to the next level.

Heritage came to us because we are a strong company with a profitable business, great people and a solid strategy, and we are very excited about leveraging our combined strengths to provide even more value to our agents and customers. Together we will have a broad geographical footprint and more than \$900 million in gross written premium. Heritage has also become a lead writer of commercial residential insurance in their current markets and is excited about the opportunity to expand that product in the Northeast.

NBIC management are very excited to continue running the NBIC business and to put our expanded resources to good use after the transaction is completed. In the coming months, NBIC management and Heritage will be collaborating to develop a comprehensive integration plan and we will share more information with you as it becomes available. In the meantime, it is business as usual for NBIC.

Finally, I want to thank each of you for your support and partnership that has driven our success and gotten us to this point as we approach the beginning of a new chapter for NBIC. Our team looks to the future with a great deal of excitement as we work together with Heritage to provide opportunities for you to grow your businesses and provide excellent service to your customers.

Best,

A handwritten signature in black ink, appearing to read 'Tim Moura', with a stylized flourish at the end.

Tim Moura
Senior Vice President