

UNITED INSURANCE HOLDINGS CORP.

RELATED PARTY TRANSACTION POLICY & PROCEDURE

Approved by the Board of Directors on May 6, 2009

Policy

United Insurance Holdings Corp. (the “Company” or “UIHC”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its stockholders’ best interests. Therefore, this policy regarding Related Party Transactions has been adopted by the Company’s Board of Directors in order to set forth: (1) the guidelines under which certain transactions must be reviewed and approved or ratified by the Audit Committee of the Board of Directors; and (2) the disclosure requirements for Related Party Transactions.

Definitions

For purposes of this policy, the following definitions apply:

Immediate Family Member – means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any person (other than a tenant or employee) sharing the household of any director, nominee for director or executive officer of the Company.

Related Party – means any (1) director, nominee for director or executive officer of the Company; (2) beneficial owner (other than a financial or investment institution) of more than 5% of UIHC’s voting securities; (3) Immediate Family Member of a director, executive officer, nominee for director or beneficial owner of more than 5% of UIHC’s voting securities; (4) an entity which is owned or controlled by someone who falls within the categories listed above in (1), (2) or (3); or (5) an entity in which someone listed above in (1), (2) or (3) has a substantial ownership interest or control.

Related Party Transaction – means a Transaction (as defined below) in which the Company or any of its subsidiaries was, or is proposed to be, a participant and in which a Related Party has, had or may have a direct or indirect material interest.

Transaction – means any single or series of financial contracts, arrangements or relationships (including any indebtedness or guarantee of indebtedness) or any series of similar contracts, arrangements or relationships.

Identification of Related Party Transactions

Directors, nominees for director and executive officers shall promptly notify the Company's SEC Counsel of any interests such person or an immediate family member of such person had, has or may have in a Related Party Transaction.

Review, Approval and Ratification of Transactions

Other than those transactions set forth below under the heading "Pre-Approved Transaction," any Related Party Transaction shall be reported to the Audit Committee by the Company's SEC Counsel, or in the event the SEC Counsel has an interest in the Related Party Transaction, the transaction shall be reported to the Audit Committee by the Company's Chief Financial Officer.

Audit Committee Review of Related Party Transactions

The Audit Committee shall review the material facts of all Related Party Transactions that require the Audit Committee's approval and either approve, disapprove or ratify such transactions. In assessing a Related Party Transaction, the Audit Committee shall consider such factors as it deems appropriate, including without limitation:

- (1) The benefits of the transaction to the Company;
- (2) The commercial reasonableness of the terms of the Related Party Transaction;
- (3) The materiality of the Related Party Transaction to UIHC;
- (4) The extent of the Related Party's interest in the Related Party Transaction;
- (5) If applicable, the impact of the Related Party Transaction on a non-employee director's independence; and
- (6) The actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction.

No director shall participate in the evaluation of any Related Party Transaction for which he or she is a Related Party, except that the director shall provide all material information concerning the Related Party Transaction to the Audit Committee.

If a Related Party Transaction will be ongoing, the Audit Committee may, in its discretion, establish guidelines for UIHC's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with the Audit Committee's guidelines.

Pre-Approved Transactions

The following types of Transactions will not be reviewed by the Audit Committee and do not require approval or ratification:

- (1) Transactions in the ordinary course of business that do not exceed \$120,000 in any fiscal year;
- (2) Executive officer and director compensation arrangements approved by the Compensation and Benefits Committee of the Board of Directors;
- (3) Transactions in which the Related Party's interest is derived solely from the fact that he or she serves as director of another corporation or organization that is a party to the Transactions;
- (4) Transactions in which the Related Party's interest is derived solely from his or her direct or indirect ownership of an entity (other than a general partnership) that is a party to the Transaction when such ownership interest is less than ten percent (10%) of the equity interest of such entity;
- (5) Transactions available to all employees generally.

Disclosure

All Related Party Transactions that are not exempt pursuant to the section entitled "Pre-Approved Transactions" shall be disclosed in the Company's applicable filings required by the Securities Exchange Act of 1934, as amended.