

**UNITED INSURANCE HOLDINGS CORP.**

**INSIDER TRADING POLICY**

Approved by the Board of Directors on May 9, 2017

**APPLICABILITY OF POLICY**

This Insider Trading Policy (the Policy) applies to all transactions in the securities of United Insurance Holding Corp. and its subsidiaries (collectively, the Company or UPC Insurance), including common stock, options for common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures.

This Policy applies to all officers of the Company, all members of the Company's Board of Directors, and all employees of, and consultants and contractors to the Company and its subsidiaries as well as their immediate families, and members of their household who receive or have access to material nonpublic information (as defined below) regarding the Company (collectively, the Covered Individuals).

**STATEMENT OF POLICY**

**General Policy**

It is the policy of UPC Insurance to oppose the unauthorized disclosure of any material nonpublic information acquired in the work-place and the misuse of material nonpublic information in securities trading.

**Prohibition on Trading on Material Nonpublic Information**

No Insider shall engage in any transaction involving a purchase or sale of Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses material nonpublic information concerning UPC Insurance, and ending forty-eight hours following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. Nothing herein is intended to prohibit a private sale among parties with equal knowledge and sophistication.

**Tipping**

No Insider shall disclose ("tip") any material nonpublic information to any other person trading in the securities of the Company (including family members), nor shall such Insider

or related person make recommendations or express opinions on the basis of material nonpublic information as to trading in the Company's securities.

### **Other Companies**

No Insider shall engage in any transaction involving the purchase or sale of another company's securities while in possession of material nonpublic information about such company when that information is obtained in the course of employment with, or the performance of services on behalf of, UPC Insurance and for which there is a relationship of trust and confidence concerning the information.

### **Avoid Speculation**

The Company considers it improper and inappropriate for the Covered Individuals associated with the Company to engage in short-term or speculative transactions in the Company's securities or in other transactions in the Company's securities that may lead to inadvertent violations of insider trading laws. Accordingly, the Covered Individuals may not engage in short sales of the Company's securities (sales of securities that are not then owned), including a "sale against the box" (a sale with delayed delivery).

Standing orders or "limit orders" may be used for periods not longer than a two (2) trading day period. A standing order placed with a broker to sell or purchase stock at a specified price leaves the officer, director or employee who placed the standing order with no control over the timing of the transaction. A standing order transaction executed by the broker when the officer, director or employee is aware of material nonpublic information may result in unlawful insider trading. Standing orders or "limit orders" with brokers should not extend beyond any Open Window and should be cancellable upon an imposition of a black-out period.

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale occur at a time when the pledger is aware of material nonpublic information or otherwise is not permitted to trade in the Company's securities pursuant to a black-out period restriction. Unless pre-cleared by the Company's General Counsel, officers, directors and employees are prohibited from pledging Company securities as collateral for a margin account or any other loan. Any officer, director, or employee preparing to pledge Company securities must clearly demonstrate their financial capacity to repay the loan without resort to the pledged securities. Any person proposing to pledge Company securities as collateral for a loan must submit a request for approval to the Company's General Counsel at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

Any officer, director, or employee that currently has pledged Company securities for a loan or is holding Company securities in a margin account prior to the effective date of this revised Policy are permitted to continue pledging Company securities as a collateral for a

loan or holding Company securities in a margin account without being subject to the pre-clearance requirements of this revised Policy. Any officer, director, or employee that has pledged Company securities for a loan or holds Company securities in a margin account prior to the effective date of this revised Policy is expected to exercise due care to ensure that they have sufficient financial capacity to repay the loan without a required sale of the Company's securities.

### **Small Transactions**

Small transactions, or ones that may seem necessary or justifiable for independent reasons (such as the need to raise money for a personal emergency), are not exceptions to this Policy. The securities laws do not recognize such exceptions, and we want to avoid even the appearance of an improper transaction to preserve UPC Insurance's reputation for adhering to the highest standards of conduct.

### **Trading Window**

UPC Insurance has determined that all officers, directors, and those other persons identified on Attachment 1 (as may be amended from time to time by the Compliance Officer and/or General Counsel), shall be prohibited from buying, selling or otherwise effecting transactions in any stock or other securities of UPC Insurance or derivative securities thereof EXCEPT during the following trading window:

Beginning at the open of market on the trading day following forty-eight (48) hours from the date of public disclosure of the Company's financial results for a preceding calendar quarter or year and ending at the close of market on the day immediately preceding the last two business days of the third month of the current calendar quarter (the Open Window). If the day immediately preceding the last two business days of the third month falls on a Saturday, Sunday or holiday, then the trading window will close at the close of the market on the next business day.

In addition, UPC Insurance, through the General Counsel, may authorize longer or additional trading windows in which buying, selling or otherwise effecting transactions in UPC Insurance's securities shall be permitted pursuant to this Policy as if it were the "Open Window." Similarly, the General Counsel may impose special black-out periods during which certain persons will be prohibited from buying, selling, or otherwise effecting transactions in any stock or other securities of UPC Insurance or derivative securities thereof, even though the trading window would otherwise be open. If a special black-out period is imposed, UPC Insurance will notify affected individuals, who should thereafter not engage in any transaction involving the purchase or sale of the Company's securities and should not disclose to others the fact of such suspension of trading.

It should be noted that during the Open Window, any person possessing material nonpublic information should not engage in any transactions in UPC Insurance's securities until the beginning of the trading day following forty-eight (48) hours of the date of public

disclosure of such information, whether or not UPC Insurance has recommended a suspension of trading to that person.

Assuming the absence of material nonpublic information, trading in the Company's securities outside of the Quiet Period should not be considered a "safe harbor," and all directors, officers, employees and other persons should exercise good judgment at all times. Nothing herein is intended to prohibit a private sale among parties with equal knowledge and sophistication.

### **Quiet Period**

The period commencing at the close of the market on the day immediately preceding the last two business days of the third month of each calendar quarter continuing until forty-eight (48) hours after the Company's earnings are publicly released is the Company's Quiet Period. If the day immediately preceding the last two business days of the third month of the calendar quarter falls on a Saturday, Sunday or holiday, then the Quiet Period will commence at the close of the market on the next business day. During this Quiet Period, no trading in the Company's stock (or derivatives relating to such securities) is permitted by any officer, director or employee of the Company (as well as their spouses, children and all other persons living with them).

No director, officer, or employee of, or consultant or contractor to, the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of Company's securities, including any offer to purchase or offer to sell, during the Quiet Period. Nothing herein is intended to prohibit a private sale among parties with equal knowledge and sophistication.

### **Confidentiality of Nonpublic Information**

Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden.

### **Pre-Clearance Procedures for Section 16 Filers and other employees**

To further prevent even the appearance of trading on inside information, and to facilitate the filing of required SEC reports, Section 16 Filers ([Attachment 2](#)) and their family members may not engage in any transaction in UPC securities (including a gift, contribution to a trust, or similar transfer) without first obtaining pre-clearance of the transaction from the General Counsel. A request for pre-clearance should be submitted to the General Counsel at least two days in advance of the proposed transaction. Section 16 filers may request pre-clearance by contacting the General Counsel by email, or in person, or by phone. The General Counsel usually will respond the same day the request is received, although there can be no assurance of that timing, depending on travel schedules and other commitments. When Section 16 filers or other employees request pre-clearance, they should consider whether they may have any material nonpublic information about UPC Insurance, and should disclose that information to the General Counsel. Clearance

of a transaction **must be in writing** and is valid only for a two (2) trading day period. If you are a Section 16 Filer, you must provide proof of pre-clearance to the SEC team to be included with the back-up to support the appropriate Section 16 filing with the SEC. If the transaction order is not placed within that two (2) trading day period, clearance of the transaction must be re-requested.

The General Counsel is under no obligation to approve a trade submitted for pre-clearance. If a Section 16 Filer or any other employee seeks pre-clearance and permission to trade is denied, he or she should refrain from initiating any transaction in the Company's stock, and should not inform any other person of the restriction.

If the General Counsel wishes to purchase, sell or trade in the Company's securities, the General Counsel must obtain pre-clearance from two of the following individuals: the CEO, the CFO, or the Director of Financial Reporting. Clearance of a transaction **must be in writing** and is valid for a forty-eight (48) hour period. If the transaction order is not placed within that two (2) trading day period, clearance of the transaction must be re-requested.

### **Material Information**

There is no "bright-line" test to determine if information is "material." A fact is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Both positive and negative information can be material, as well as information that forecasts whether an event may or may not occur. Any questions concerning the materiality of particular information should be resolved in favor of materiality. Examples of material information include, but are not limited to:

- Undisclosed annual, quarterly or monthly financial results, a change in earnings or earnings projections, or unexpected or unusual gains or losses in major operations;
- Undisclosed negotiations and agreements regarding mergers, concessions, joint ventures, acquisitions, divestitures, business combinations or tender offers;
- An undisclosed increase or decrease in dividends on the Company's common stock, stock splits;
- Undisclosed major management changes;
- A substantial contract award or termination that has not been publicly disclosed;
- A major lawsuit, dispute or claim that has not been publicly disclosed;
- The gain or loss of a significant customer or supplier that has not been publicly disclosed;
- Undisclosed public or private offerings of debt or equity securities;
- An undisclosed filing of a bankruptcy petition by the Company or a significant subsidiary; Information that is considered confidential; and
- Any other undisclosed information that could affect our stock price.

### **Twenty-twenty hindsight**

If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction an Insider should carefully consider how his or her transaction may be construed in the bright light of hindsight. Again, in the event of questions or uncertainties about the Policy, please consult UPC Insurance's General Counsel or someone that he or she has delegated responsibility for advising of the Policy.

## **Individual Responsibility**

Every officer, director and employee has the individual responsibility to comply with this Policy against insider trading. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the material nonpublic information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

## **Post-Termination Transactions**

This Policy continues to apply to your transactions in UPC Insurance's securities even after you have terminated employment. If you are aware of material nonpublic information when you terminate service as a member of the Board of Directors, officer or other employee of UPC Insurance, you may not trade in the Company's securities until that information has become public or is no longer material. The pre-clearance procedures for Section 16 Filers; however, will cease to apply to transactions in UPC Insurance's securities upon the expiration of any Quiet Period or other event-specific trading restriction that is applicable to a Section 16 Filer at the time of his or her termination of service.

## **Potential Criminal and Civil Liability and/or Disciplinary Action**

As an officer, employee or member of the Board of Directors of UPC Insurance, you are responsible for complying with federal and state securities laws and this Policy. The consequences of failure to do so can be severe.

- A. **Traders and Tipsters.** Company personnel who trade on inside information (or their "tippees" who trade after receiving information from them) are subject to severe penalties:
1. A civil penalty of up to three times the profit gained or loss avoided;
  2. A criminal fine of up to \$5,000,000 (no matter how small the profit); and
  3. A jail term of up to twenty years.

An employee who tips information to a person who then trades is subject to the same penalties as the tippee, even if the employee did not trade and did not profit from the tippee's trading.

- B. **Control Persons.** The Company and its directors, officers and supervisory personnel, if they fail to take appropriate steps to prevent illegal insider trading, are also potentially subject to substantial civil and, in the case of the Company, criminal penalties.
- C. **Company-Imposed Sanctions.** Violation of UPC Insurance's insider trading policy may result in Company-imposed sanctions including termination of employment, whether or not the employee's failure to comply is a violation of law.

## **Attachment One**

### **Board of Directors**

<b>Name</b>	<b>Title</b>
Greg Branch	Chairman of the Board
Dan Peed	Vice-Chairman
Alec Poitevint	Director
Kent Whittemore	Director
Kern Davis, M.D.	Director
Sherrill Hudson	Director
William Hood	Director
John Forney	Director
Patrick Maroney	Director
Michael Hogan	Director

### **Officers**

<b>Name</b>	<b>Title</b>
John Forney	President, CEO and Director
Brad Martz	Chief Financial Officer
Paul DiFrancesco	Chief Underwriting Officer
Deepak Menon	Chief Revenue Officer
Andrew Swenson	Chief Information Officer
Scott St. John	Chief Claims Officer
Kimberly Salmon	General Counsel and Chief Legal Officer

### **Other Employees by Position Title**

<b>Title</b>
Director of Financial Reporting
Controller
Assistant Controller
Manager – FP&A
Director of Product Management
Director of Marketing
Product Managers
Claims Director
Director of Talent
Office Manager
Paralegal
SEC Reporting Manager
Actuarial Modeling Manager
Sr. Financial Analyst

**Attachment Two**

**Board of Directors**

<b>Name</b>	<b>Title</b>
Greg Branch	Chairman of the Board
Dan Peed	Vice-Chairman
Alec Poitevint	Director
Kent Whittemore	Director
Kern Davis, M.D.	Director
Sherrill Hudson	Director
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