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HC2 Holdings, Inc.

First Quarter 2017
Conference Call

Safe Harbor Disclaimers

Special Note Regarding Forward-Looking Statements. Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: This presentation contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. The forward-looking statements in this presentation include without limitation statements regarding our expectation regarding building shareholder value. Such statements are based on the beliefs and assumptions of HC2's management and the management of HC2's subsidiaries and portfolio companies. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company's actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions; the ability of HC2's subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. These risks and other important factors discussed under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation .

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In this presentation, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Core Operating Subsidiary Adjusted EBITDA, Total Adjusted EBITDA (excluding Insurance) and Insurance AOI.

Management believes that Adjusted EBITDA measures provide investors with meaningful information for gaining an understanding of certain results as it is frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation, amortization and the other items for which adjustments are made as noted in the definition of Adjusted EBITDA below can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt. In addition, management uses Adjusted EBITDA measures in evaluating certain of the Company's segments performance because they eliminate the effects of considerable amounts of noncash depreciation and amortization and items not within the control of the Company's operations managers. While management believes that these non-US GAAP measurements are useful as supplemental information, such adjusted results are not intended to replace our US GAAP financial results and should be read together with HC2's results reported under GAAP.

Management defines Adjusted EBITDA as Net income (loss) adjusted to exclude the impact of depreciation and amortization; amortization of equity method fair value adjustments at acquisition; (gain) loss on sale or disposal of assets; lease termination costs; asset impairment expense; (gain) loss on early extinguishment or restructuring of debt; interest expense; net gain (loss) on contingent consideration; other (income) expense, net; foreign currency transaction (gain) loss included in cost of revenue; income tax (benefit) expense; (gain) loss from discontinued operations; noncontrolling interest; bonus to be settled in equity; share-based compensation expense; acquisition and nonrecurring items; and other costs. Adjusted EBITDA excludes results of our Insurance segment. A reconciliation of Adjusted EBITDA to Net income (loss) is included in the financial tables at the end of this release.

Management recognizes that using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other U.S. GAAP financial measures, as these non-GAAP measures exclude certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Adjusted EBITDA should not be considered in isolation and do not purport to be alternatives to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance.

Management believes that Insurance AOI measures, used frequently in the insurance industry, provide investors with meaningful information for gaining an understanding of certain results and provides insight into an organization's operating trends and facilitates comparisons between peer companies.

Management defines Insurance AOI as Net income (loss) for the Insurance segment adjusted to exclude the impact of net investment gains (losses), including other-than-temporary impairment losses recognized in operations; asset impairment; intercompany elimination and acquisition and non-recurring items. Management believes that Insurance AOI provides a meaningful financial metric that helps investors understand certain results and profitability. While these adjustments are an integral part of the overall performance of the Insurance segment, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the trends of our operations.

By accepting this document, each recipient agrees to and acknowledges the foregoing terms and conditions.

Agenda

Overview and Financial Highlights	Philip Falcone	*Chairman, President and CEO*
Q and A	Philip A. Falcone Michael J. Sena Andrew G. Backman	*Chairman, President and CEO* *Chief Financial Officer* *Managing Director*

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Quarterly Overview

1Q17 Highlights and Recent Developments

- **Solid first quarter results once again highlight the unique value HC2 brings to the market with our diverse, uncorrelated industry holdings**
  - **Construction:** ~$500 million backlog; ~$800 million inclusive of contracts awarded, but not yet signed; ~$350 million of additional potential opportunities that could be awarded including sporting arenas/stadiums, healthcare facilities, commercial office buildings and convention centers
  - **Marine Services:** Very strong joint venture performance, in particular Huawei Marine; Solid telecom maintenance results; Incremental offshore power installation and maintenance revenues; Awarded Atlantic Cable Maintenance Agreement extension ("ACMA"); Added new telecom installation ship to support Huawei Marine joint venture
  - **Telecommunications:** Continued growth in wholesale volumes and customer expansion
  - **Energy:** Continued growth due to increase in number of fueling stations owned and/or operated
- **Adjusted EBITDA for Core Operating Subsidiaries***
  - $27.8 million in First Quarter, as compared to $12.7 million in the year-ago quarter
- **Cash and Investments as of March 31, 2017:**
  - $1.6 billion of consolidated cash, cash equivalents and investments, which includes the Insurance segment; essentially unchanged from prior quarter
  - $92.3 million in Consolidated Cash (excluding Insurance segment)
- **Cumulative outstanding Preferred Equity of $30.0 million at March 31, 2017; Further reduced to $26.7 million subsequent to quarter end from $55.0 million of total preferred issued**

** Core Operating Subsidiaries include Construction, Marine Services, Telecommunications and Energy. Construction formerly Manufacturing; Energy formerly Utilities.*

HC2 Segment Overview

Core Operating Subsidiaries

Construction: DBM Global (SCHUFF)

- 1Q17 Revenue: $112.7m
- 1Q17 Adjusted EBITDA: $8.6m
- Backlog $498m; $800 million with contracts awarded, but not yet signed
- Solid long-term pipeline with additional ~$350 million in potential project value that could be awarded over next several quarters

Marine Services: GMSL

- 1Q17 Revenue: $44.2.m
- 1Q17 Adjusted EBITDA: $16.3m
- Very strong joint venture performance; Solid telecom maintenance, off shore power installation & maintenance performance
- Positive long-term telecom installation and offshore power opportunities

Energy: ANG

- 1Q17 Revenue: $4.3m
- 1Q17 Adjusted EBITDA: $1.2m
- Delivered 2,790,000 Gasoline Gallon Equivalents (GGEs) in 1Q17 vs. 798,000 GGEs in 1Q16
- ~40 stations currently owned and / or operated vs. two stations at time of HC2's initial investment in 3Q14

Telecom: PTGi ICS

- 1Q17 Revenue: $191.7m
- 1Q17Adjusted EBITDA: $1.7m
- Continued growth in wholesale traffic volumes, delivered in part by the changing regulatory environment throughout Europe, combined with continued business growth in the Middle East

Core Financial Services Subsidiaries

Insurance: CIG

- ~$71m of statutory surplus
- ~$85m total adjusted capital
- ~$2.1b in total GAAP assets
- Recently completed merging CGI and UTA into one legal entity; meaningful cost savings, lower required statutory capital (4Q16)
- Platform for growth through additional M&A

Early Stage and Other Holdings

Life Sciences: PANSEND

- **MediBeacon:** Completed "Pilot Two" Clinical Study at Washington University in St. Louis (1Q17)
- **R2 Dermatology:** Received FDA Approval for R2 Dermal Cooling System (4Q16)
- **BeneVir:** Granted additional patent protecting oncolytic immunotherapy Stealth-1H & other assets (2Q17)
- **Genovel:** Novel, Patented, "Mini Knee" and "Anatomical Knee" replacements
- **Triple Ring Technologies:** R&D engineering company specializing in medical devices, homeland security , imaging, sensors, optics, fluidics, robotics & mobile healthcare

Other:

- **Nervve**
  Provider of video and image search technology for information extraction and powerful analytics applications
- **704Games (Formerly DMR)**
  NASCAR® Heat Mobile launched on IOS and Android (5/17)

All data as of March 31, 2017 unless otherwise noted
Construction formerly Manufacturing; Energy formerly Utilities

Segment Financial Summary

Adjusted EBITDA for Core Operating Subsidiaries $27.8m versus $12.7m in year-ago-quarter

($m)		Q1 2017	Q1 2016
Adjusted EBITDA	**Core Operating Subsidiaries**		
	Construction	$8.6	$11.5
	Marine Services	16.3	0.5
	Energy	1.2	0.4
	Telecom	1.7	0.3
	Total Core Operating	**$27.8**	**$12.7**
	Early Stage and Other Holdings		
	Life Sciences	($4.1)	($2.6)
	Other	(1.2)	(4.0)
	Total Early Stage and Other	**($5.2)**	**($6.6)**
	Non-Operating Corporate	($5.9)	($5.7)
	Total HC2 (excluding Insurance)	**$16.7**	**$0.3**
Adjusted Operating Income	**Core Financial Services**		
	Insurance	($1.0)	($2.6)

Note: Reconciliations of Adjusted EBITDA and Adjusted Operating Income to U.S. GAAP Net Income in appendix. Table may not foot due to rounding. Adjusted Operating Income for Q1 2016 has been adjusted to exclude certain intercompany eliminations to better reflect the results of the Insurance segment, and remain consistent with internally reported metrics. Additional details in appendix. Q1 2016 benefitted from the release of valuation allowance impacting the net tax provision

All data as of March 31, 2017 unless otherwise noted
Construction formerly Manufacturing; Energy formerly Utilities

Construction: DBM Global Inc. (Schuff)

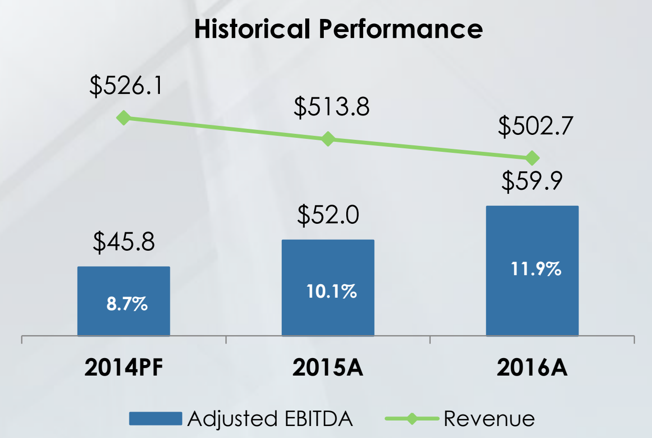
First Quarter Update

- 1Q17 Net Income: $3.2m versus $4.4m for 1Q16
- 1Q17 Adjusted EBITDA: $8.6m versus $11.5m for 1Q16 driven in part by delays caused by design changes on existing projects in backlog
- Pacific region continues to remain strong
- Reported backlog: $498m; Taking into consideration awarded, but not yet signed contracts, backlog would have been nearly $800m
- Continue to see large opportunities totaling ~$350 million that could be awarded over next several quarters including new sporting arenas or stadiums, healthcare facilities, commercial office buildings and convention centers

Strategic Initiatives

- Continue to select profitable, strategic and "core competency" jobs, not all jobs
- Solid long-term pipeline of prospective projects; No shortage of transactions to evaluate
- Commercial / Stadium / Healthcare sectors remain strong
- Opportunities to add higher margin, value added services to overall product offering

Loma Linda Hospital



Mile High Stadium

Marine Services: GMSL

First Quarter Update

- 1Q17 Net Income: $11.2m versus a Net Loss of ($5.9)m for 1Q16
- 1Q17 Adjusted EBITDA: $16.3m versus $0.5m for 1Q16
- Very strong 1Q17 performance from Joint Ventures, in particular Huawei Marine
- Strong telecom maintenance revenues driven by higher vessel utilization
- Solid CWind offshore power installation and maintenance revenues:
  - Continued offshore power installation revenues as a result of re-entry into market (Wikinger)
  - Completed first cable power repair project re-connecting Silly islands to mainland UK
- Announced five-year contract extension for Atlantic Cable Maintenance Agreement ("ACMA")
- Entered into agreement to charter Maersk Recorder to support expected growth in Huawei Marine Joint Venture

Strategic Initiatives

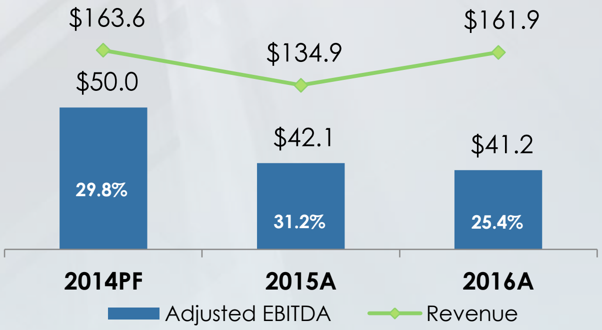
HUAWEI MARINE **49% ownership**

Total HMN*	2016	2015	2014
Revenue	~$207m	~$203m	~$88m
Profit	~$25m	~$14m	~$2m
Cash / Equivalents	~$48m	~$27m	~$16m

SBSS **49% ownership**

- Joint Venture established in 1995 with China Telecom
- China's leading provider of submarine cable installation
- Located in Shanghai and possesses a fleet of advanced purpose-built cable ships

Historical Performance



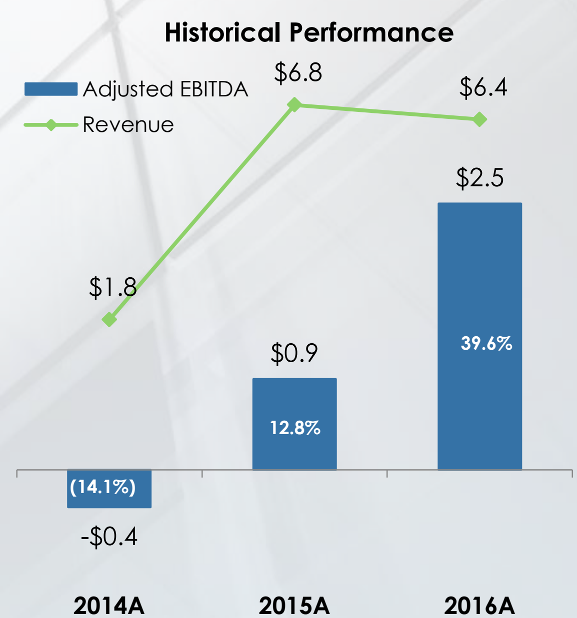
Note: 2014 PF Adj. EBITDA inclusive of approx. $10m offshore power installation vs. minimal contribution in 2015 & 1H16 as a result of Prysmian agreement which expired in 4Q15

Currency Exchange: CNY:USD 1:0.129
All data as of March 31, 2017 unless otherwise noted

Energy: ANG

First Quarter Update

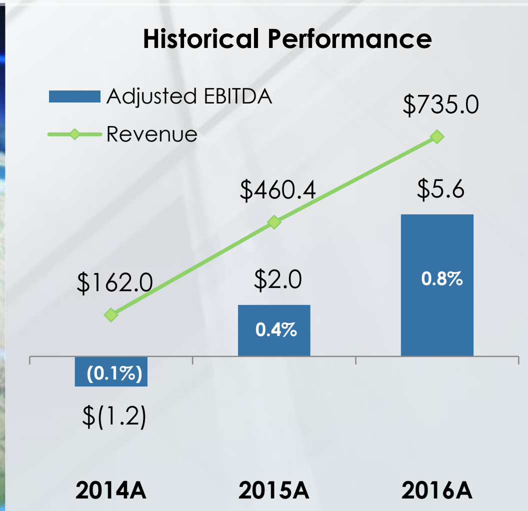
- 1Q17 Net Loss: ($0.7)m versus ($0.03)m for 1Q16
- 1Q17 Adjusted EBITDA: $1.2m versus $0.4m for 1Q16
- Delivered 2,790,000 Gasoline Gallon Equivalents (GGEs) in the first quarter versus 798,000 GGEs in the year-ago quarter, due primarily to newly developed and acquired CNG fueling stations
- ~40 stations currently owned and / or operated or under development versus 2 stations at time of initial investments (3Q14)
- Focused on increasing volumes at existing stations, while also expanding geographic footprint through both internal / organic growth and strategic M&A opportunities



Telecommunications: PTGi-ICS

First Quarter Update

- Strong quarterly results again due to continued growth in wholesale traffic volumes, in part delivered by the changing regulatory environment throughout the European market, combined with continued business growth driven by new routing, especially in the Middle East, and growing relations with existing customers.
  - 1Q17 Net Income: $1.5m versus $1.2m for 1Q16
  - 1Q17 Adjusted EBITDA: $1.7m versus $0.3m for 1Q16
  - 8th consecutive quarter of positive Adjusted EBITDA
- One of the key objectives: leverage the infrastructure and management expertise within PTGi-ICS
  - Over 800+ wholesale interconnections globally provides HC2 the opportunity to leverage the existing cost effective infrastructure by bolting on higher margin products and M&A opportunities
  - A focused strategic initiative has been launched within PTGi-ICS to identify potential M&A opportunities



Insurance: Continental Insurance Group

First Quarter Update

- Continental Insurance, Inc. (CII) serves as a platform for run-off LTC books of business and for acquiring additional run-off LTC businesses
  - 1Q17 Net Loss: ($0.8)m versus Net Loss: ($7.5)m for 1Q16
  - 1Q17 Adjusted Operating Income: ($1.0)m versus 1Q16 Adjusted Operating Income ($2.6)m
  - ~$71m statutory surplus at end of first quarter
  - ~$85m total adjusted capital at end of first quarter
  - ~$2.1b in total GAAP assets at March 31, 2017
  - Recently completed merging CGI and UTA into one legal entity; Beneficial to statutory capital
- CII Strategy:
  - A concentrated focus on LTC and acquisitions of additional books of run-off LTC business
  - A platform to provide a vehicle for multi-line insurers who do not consider LTC a core business segment to exit the market
  - Enhancing efficiency and effectiveness through scale and a concentrated focus on LTC

Note: Reconciliation of Adjusted Operating Income to U.S. GAAP Net Income in appendix. All data as of March 31, 2017 unless otherwise noted

Pansend Life Sciences

HC2's Life Sciences Segment Is Focused on the Development of Innovative Healthcare Technologies and Products

BeneVir	◆ 80% equity ownership of company focused on immunotherapy; Oncolytic virotherapy for treatment of solid cancer tumors ◆ Founded by Dr. Matthew Mulvey & Dr. Ian Mohr (who co-developed T-Vec); Biovex (owner of T-Vec) acquired by Amgen for ~$1billion ◆ Benevir's T-Stealth is a second generation oncolytic virus with new features and new intellectual property ◆ BeneVir holds exclusive worldwide license to develop BV-2711 (T-Stealth) ◆ Granted new patent entitled *"Oncolytic Herpes Simplex Virus and Therapeutic Uses Thereof"*, covering the composition of matter for Stealth-1H, BeneVir's lead oncolytic immunotherapy, as well as other platform assets (2Q17)
R2 dermatology	◆ 71% equity ownership of dermatology company focused on lightening and brightening skin ◆ Founded by Pansend in partnership with Mass. General Hospital and inventors Dr. Rox Anderson, Dieter Manstein and Dr. Henry Chan ◆ Over $20 billion global market ◆ Received Food and Drug Administration (FDA) approval for the R2 Dermal Cooling System (4Q16)
GENOVEL	◆ 77% equity ownership in company with unique knee replacements based on technology from Dr. Peter Walker, NYU Dept. of Orthopedic Surgery and one of the pioneers of the original Total Knee. ◆ "Mini-Knee" for early osteoarthritis of the knee; "Anatomical Knee" – A Novel Total Knee Replacement ◆ Strong patent portfolio
MediBeacon	◆ 45% equity ownership in company with unique technology and device for monitoring of real-time kidney function ◆ Current standard diagnostic tests measure kidney function are often inaccurate and not real-time ◆ MediBeacon's Optical Renal Function Monitor will be first and only, non-invasive system to enable real-time, direct monitoring of renal function at point-of-care ◆ $3.5 billion potential market ◆ Successfully completed a key clinical study of its unique, real-time kidney monitoring system on subjects with impaired kidney function at Washington University in St. Louis. (1Q17)
Triple Ring technologies	◆ Profitable technology and product development company ◆ Areas of expertise include medical devices, homeland security, imaging systems, sensors, optics, fluidics, robotics and mobile healthcare ◆ Located in Silicon Valley and Boston area with over 90,000 square feet of working laboratory and incubator space ◆ Contract R&D market growing rapidly ◆ Customers include Fortune 500 companies and start-ups

All data as of March 31, 2017 unless otherwise noted

Notable Financial and Other Updates

- **Collateral Coverage Ratio at Quarter End Exceeded 2.0x**
- **$92.3 million in Consolidated Cash (excluding Insurance segment)**
  - $27.0 million Corporate Cash
- **$9.2 million from DBM Global Received From Special Dividend in First Quarter**
  - Subsequent to the end of the first quarter, DBM Global announced an additional $5.0 million cash dividend, of which HC2 will receive ~$4.5 million in the second quarter
- **Cumulative Outstanding Amount of Preferred Equity $30.0 million at March 31, 2017**
  - Further reduced to $26.7 million subsequent to quarter end from $55.0 million of total preferred issued
- **$55 million 11% Senior Secured Notes Offering Completed in First Quarter**
  - Offering well oversubscribed – Upsized from $45 million – Priced at par
  - Proceeds used to refinance Bridge Note for ANG acquisitions of Constellation CNG and Questar Fueling
- **Intend to Transfer Common Stock Listing to New York Stock Exchange from NYSE MKT**
  - Effective May 16, 2017
  - Under current ticker "HCHC"

($m)	Sheet (at March 31, 2017)
Market Cap(1)	$229.7
Preferred Equity	$30.0
Total Debt	$362.0
Corporate Cash(2)	$27.0
Enterprise Value(3)	$594.7

(1) Market capitalization on a fully diluted basis, excluding preferred equity, using a common stock price per share of $5.45 on May 9, 2017
(2) Cash and cash equivalents
(3) Enterprise Value is calculated by adding market capitalization, total preferred equity and total debt amounts, less Corporate cash

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Questions and Answers

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Appendix: Reconciliations

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended March 31, 2017

(in thousands)

Three Months Ended March 31, 2017	Core Operating Subsidiaries				Early Stage & Other		Non-operating Corporate	Total HC2
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Elimination		
Net Income (loss) attributable to HC2 Holdings, Inc.								$ (14,496)
Less: Net Income (loss) attributable to HC2 Holdings Insurance Segment								(761)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 3,203	$ 11,152	$ (697)	$ 1,502	$ (3,410)	$ (5,430)	$ (20,055)	$ (13,735)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:								
Depreciation and amortization	1,640	5,085	1,248	97	38	330	16	8,454
Depreciation and amortization (included in cost of revenue)	1,240	-	-	-	-	-	-	1,240
Amortization of equity method fair value adjustment at acquisition	-	(325)	-	-	-	-	-	(325)
(Gain) loss on sale or disposal of assets	(248)	(3,500)	(4)	-	-	-	-	(3,752)
Lease termination costs	-	194	-	-	-	-	-	194
Interest expense	207	1,302	136	9	-	2,391	10,070	14,115
Net loss on contingent consideration	-	-	-	-	-	-	231	231
Other (income) expense, net	(21)	1,065	1,120	74	(4)	2,115	44	4,393
Foreign currency (gain) loss (included in cost of revenue)	-	24	-	-	-	-	-	24
Income tax (benefit) expense	2,079	510	13	-	-	-	2,177	4,779
Noncontrolling interest	263	494	(747)	-	(791)	(605)	-	(1,386)
Share-based payment expense	-	345	91	-	92	29	962	1,519
Acquisition and nonrecurring items	245	-	-	-	-	-	693	938
Adjusted EBITDA	**$ 8,608**	**$ 16,346**	**$ 1,160**	**$ 1,682**	**$ (4,075)**	**$ (1,170)**	**$ (5,862)**	**$ 16,689**
Total Core Operating Subsidiaries	**$ 27,796**							

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA
Three Months Ended March 31, 2016

(in thousands)

Three Months Ended March 31, 2016	Core Operating Subsidiaries				Early Stage & Other			
	Construction	Marine Services	Energy	Telecom	Life Sciences	Other & Elimination	Non-operating Corporate	Total HC2
Net Income (loss) attributable to HC2 Holdings, Inc.								$ (30,462)
Less: Net Income (loss) attributable to HC2 Holdings Insurance Segment								(7,496)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding Insurance Segment	$ 4,384	$ (5,918)	$ (27)	$ 1,202	$ 1,298	$ (10,494)	$ (13,409)	$ (22,966)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:								
Depreciation and amortization	529	5,155	429	106	19	336	-	6,574
Depreciation and amortization (included in cost of revenue)	1,933	-	-	-	-	-	-	1,933
Amortization of equity method fair value adjustment at acquisition	-	(358)	-	-	-	-	-	(358)
(Gain) loss on sale or disposal of assets	904	(17)	-	-	-	-	-	887
Interest expense	310	1,070	9	-	-	-	8,937	10,326
Other (income) expense, net	(44)	612	(31)	(1,025)	(3,221)	6,005	(1,611)	686
Foreign currency (gain) loss (included in cost of revenue)	-	(147)	-	-	-	-	-	(147)
Income tax (benefit) expense	3,445	(640)	-	-	-	(1)	(4,226)	(1,422)
Noncontrolling interest	61	(155)	(22)	-	(720)	(44)	-	(880)
Share-based payment expense	-	609	14	-	22	160	2,386	3,191
Acquisition and nonrecurring items	-	266	27	-	-	1	2,201	2,495
Adjusted EBITDA	**$ 11,522**	**$ 477**	**$ 399**	**$ 283**	**$ (2,602)**	**$ (4,038)**	**$ (5,722)**	**$ 319**
Total Core Operating Subsidiaries	**$ 12,681**							

Reconciliation of U.S. GAAP Net Income (Loss) to Insurance AOI
Three Months Ended March 31, 2017 and 2016

(in thousands)

Adjusted Operating Income - Insurance ("Insurance AOI")

	Three Months Ended March 31,	
	2017	2016
Net loss - Insurance segment	(761)	(7,496)
Effect of investment (gains) losses	(781)	4,875
Asset impairment expense	522	—
Insurance AOI	**$ (1,019)**	**$ (2,621)**

The calculation of Insurance Net Loss has been revised to exclude adjustments for intercompany eliminations as they are not considered relevant in evaluating the performance of our Insurance segment. For first quarter 2016, this resulted in a change to the previously reported Insurance loss of ($12.3) million for the quarter to a loss of ($7.5) million.

The calculation of Insurance AOI has been revised to exclude adjustments for intercompany eliminations as they are not considered relevant in evaluating the performance of our Insurance segment. For first quarter 2016, this resulted in a change to the previously reported Insurance AOI loss of ($3.6) million for the quarter to a loss of ($2.6) million.

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HC2 HOLDINGS, INC.

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May 2017