

Amtrust Financial Services, Inc.
Form 424B3
December 14, 2015
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Registration No. 333-204341**

ARI MUTUAL INSURANCE COMPANY AMTRUST FINANCIAL SERVICES, INC.

Dear Member:

You were on March 17, 2015, the holder of a policy of insurance issued by ARI Mutual Insurance Company (ARI). As a policyholder, you are also a member of ARI, which is currently organized as a mutual company.

We are sending the enclosed proxy statement/prospectus to members of ARI for two reasons:

- (1) Those members whose ARI insurance policy was in force on March 17, 2015, whether or not it has since expired, whom we call Eligible Members, are asked to approve and adopt a Plan of Conversion from Mutual Insurance Company to Stock Form (the Plan) and amended articles of incorporation, as described in detail in the proxy statement/prospectus.
- (2) All Eligible Members are hereby offered the opportunity to subscribe up to \$32,200,000 in the aggregate for shares of common stock of AmTrust Financial Services, Inc. (AmTrust) for cash at a discount to the market price, subject to the effectiveness of the Plan, also as described in detail in the proxy statement/prospectus.

We are also providing the proxy statement/prospectus to the directors of ARI who are not employees of ARI (whom we call Non-Employee Directors), who have the right to subscribe for shares of AmTrust common stock if and to the extent that Eligible Members do not subscribe for the full \$32,200,000.

ARI s board of directors has approved the proposed Plan under which ARI will convert from a Pennsylvania mutual insurance company to a Pennsylvania stock insurance company, subject to approval by the Eligible Members (the Conversion). ARI has also entered into a Stock Purchase Agreement with AmTrust. Upon completion of the Conversion, (i) ARI will issue all of its authorized shares of capital stock to ARI HoldCo, Inc., a Delaware corporation (HoldCo), and become a wholly owned subsidiary of HoldCo, (ii) HoldCo will sell all of its authorized shares of capital stock to AmTrust, and (iii) AmTrust will issue shares of its common stock to those Eligible Members and Non-Employee Directors who subscribe in accordance with this proxy statement/prospectus.

Your subscription for AmTrust shares will only be effective if the Plan is approved at the Special Meeting.

Effect Upon Member Rights of ARI Members and Contract Rights of ARI Policyholders:

Policyholders of ARI currently have member rights in ARI, including the right to vote for election of ARI s board of directors and, possibly, the right to share in the surplus, if any, of a solvent liquidation of ARI. Upon the Conversion, all member rights in ARI, whether provided by ARI s articles of incorporation or bylaws or by Pennsylvania law, will be extinguished. All ARI policies will remain policies issued and backed by ARI, and all rights specified in such

policies will remain unchanged. For more information, see Summary of Rights of Policyholders of ARI in Their Capacity as such and as Members of ARI in the proxy statement/prospectus.

Consummation of the Conversion requires approval by the Insurance Commissioner of the Commonwealth of Pennsylvania and the New Jersey Commissioner of Banking and Insurance. Such approvals will be contingent upon satisfaction of certain conditions, including adoption and approval of the Plan by the Eligible Members.

The Plan will be submitted to a vote at a Special Meeting of Members of ARI entitled to vote thereon to be held on January 21, 2016, which we refer to as the Special Meeting. All Eligible Members are entitled to vote in person or by proxy at the Special Meeting.

After considering a variety of alternatives in connection with a strategic alternatives study, ARI's board of directors believes the Plan is reasonable, fair and equitable to ARI's members, who are its policyholders, and in the best interests of ARI. As set forth in more detail in this proxy statement/prospectus, ARI's board expects that the Conversion will benefit ARI and its policyholders because it will provide ARI with potential access to a significant amount of additional capital, permit ARI to avail itself of AmTrust's A(XIII) rating by A.M. Best Company, permit ARI to operate as a wholly-owned subsidiary of AmTrust or one of its insurance subsidiaries and serve as a platform for AmTrust's specialty commercial auto business, permit ARI to continue to serve its specialty commercial auto insurance customers, permit ARI to maintain its ARI name, headquarters in Newtown, Pennsylvania and management team and provide opportunities for career advancement to ARI's employees.

ARI's board of directors unanimously recommends that the Eligible Members of ARI vote for adoption and approval of the Plan and the transactions contemplated therein.

We encourage you to read this information carefully. It describes the reasons why ARI's board of directors and management have concluded that the Plan and the transactions contemplated by the Plan serve the best interests of ARI and its members. It also describes the terms of AmTrust's discounted offering of common stock to ARI's members and includes an order form to return if you wish to subscribe.

Eligible Members are cordially invited to attend the Special Meeting to vote on the Plan at that time. ARI is mailing proxy cards to Eligible Members in a separate envelope. Whether or not you plan to attend, please complete, sign and return the proxy card as soon as possible. Proxy cards must be received no later than 5:00 p.m., Eastern Time, on January 20, 2016, in order to be counted as part of the vote at the Special Meeting.

On behalf of the boards of directors and management of ARI and of AmTrust, we urge you to support the proposed Conversion and to vote FOR each of the proposals to be considered at the Special Meeting.

If you need assistance with your proxy vote, or if you have any questions about the Plan or the Offering of AmTrust common stock, please contact representatives of AmTrust and ARI at ARISubscriptions@ari-ins.com or (609) 323-1086.

We appreciate and respect the confidence and trust you have placed in ARI, and we look forward to continue serving your insurance needs.

Sincerely,
/s/ Karen S. Fulton
Karen S. Fulton, President and Chief Executive Officer

ARI Mutual Insurance Company

/s/ Barry D. Zyskind
Barry D. Zyskind, President and Chief
Executive Officer
AmTrust Financial Services, Inc.

Adoption of the Plan and consummation of the Conversion will not have any effect on your insurance policy issued by ARI, which will continue to be the issuer of your policy. Your insurance coverage under the policy will continue in accordance with its terms and provisions. The Conversion will not affect your premium or coverage and will not result in cancellation or termination of your policy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the transaction described in the accompanying proxy statement/prospectus or the securities to be issued pursuant to the subscription offering or determined that the proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated December 9, 2015. The proxy statement/prospectus and a proxy card for the Special Meeting are first being mailed to Eligible Members of ARI on or about December 14, 2015.

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ARI MUTUAL INSURANCE COMPANY

125 Pheasant Run, Newtown, Pennsylvania 18940-3428

Notice of Special Meeting of Members

To be held on January 21, 2016

TO ELIGIBLE MEMBERS OF ARI MUTUAL INSURANCE COMPANY:

NOTICE IS HEREBY GIVEN THAT a Special Meeting of Members of ARI Mutual Insurance Company (ARI) will be held at the offices of ARI, at 125 Pheasant Run, Newtown, Pennsylvania, on January 21, 2016 at 10:00 a.m., Eastern Time (the Special Meeting), for the following purposes:

1. to consider and vote upon a proposal to adopt and approve the Plan of Conversion from Mutual Insurance Company to Stock Form (the Plan), pursuant to which ARI will convert from a Pennsylvania mutual insurance company to a Pennsylvania stock insurance company, and the other transactions contemplated therein. The Plan is set forth as Appendix A to the accompanying proxy statement/prospectus;
2. to consider and vote upon a proposal to adopt the Amended and Restated Articles of Incorporation of ARI in the form set forth as Appendix B to the accompanying proxy statement/prospectus;
3. to approve the adjournment of the Special Meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposals described above; and
4. to consider and vote upon all other matters as may properly come before the meeting.

The proxy statement/prospectus accompanying this notice contains further information about the business to be transacted at the Special Meeting.

ARI s board of directors is not aware of any other business to be presented for action at the Special Meeting. If any other matter properly comes before the Special Meeting, the persons named in the proxy card intend to vote on it in accordance with the judgment of management. Any action may be taken on the foregoing proposals at the Special Meeting on the date specified above, or on any date or dates to which the Special Meeting may be adjourned.

Only members whose ARI Mutual Insurance Company insurance policy was in force on March 17, 2015, the Record Date, whether or not it has since expired, are entitled to vote at the Special Meeting or any adjournments thereof.

By Order of the Board of Directors

/s/ J. Tucker Ericson

J. Tucker Ericson, Secretary

Newtown, Pennsylvania

December 9, 2015

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ADDITIONAL INFORMATION

Voting Methods

Eligible Members may vote using one of the following methods:

Mail. Eligible Members will receive by separate mailing a proxy card to vote at the Special Meeting. You may vote by mail by completing, signing, dating and mailing the proxy card in the envelope included with the card.

In Person. You may come to the Special Meeting and cast your vote there. ARI's board of directors recommends that you vote by proxy even if you plan to attend the Special Meeting. For directions to attend the meeting and vote in person, please contact representatives of ARI at the telephone number provided below.

To Subscribe for AmTrust Shares in the Offering

To subscribe for shares of AmTrust common stock at a discount, you must complete, sign and return the stock order form and Form W-9 provided with this proxy statement/prospectus.

Return the stock order form, the Form W-9 and your check, bank draft, money order or wire transfer for full payment of your subscription amount to the Subscription Agent, Sabr Group, at the address shown on the form, so that it is received no later than 5:00 p.m. Eastern Time on January 12, 2016.

Please Note: A subscription accompanied by an uncertified check will not be accepted if the check has not cleared, for any reason, by 4:00 Eastern time on January 20, 2016. If you are paying by uncertified check, please note that it could take five or more business days for the check to clear. Therefore, you are advised to send a cashier's (bank) check, a bank draft, a certified personal check, a money order, or a wire transfer with your subscription.

About this Proxy Statement/Prospectus

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by AmTrust, constitutes a prospectus of AmTrust under Section 5 of the Securities Act of 1933, as amended, with respect to the shares of AmTrust common stock to be offered to Eligible Members and Non-Employee Directors of ARI pursuant to the offering. This proxy statement/prospectus also constitutes a proxy statement and a notice of meeting with respect to the Special Meeting.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated December 9, 2015. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this proxy statement/prospectus to Eligible Members and to Non-Employee Directors of ARI nor the issuance by AmTrust of shares of common stock pursuant to the offering will create any implication to the contrary.

Unless otherwise indicated or the context otherwise requires, as used in this proxy statement/prospectus:

- (i) references to HoldCo are to ARI HoldCo, Inc., a Delaware corporation;
- (ii) references to ARI are to ARI Mutual Insurance Company, a Pennsylvania mutual insurance company;
- (iii) references to AmTrust are to AmTrust Financial Services, Inc., a Delaware corporation;
- (iv) we refers to ARI and AmTrust together;
- (v) references to the Plan of Conversion or the Plan are to the Plan of Conversion from Mutual Insurance Company to Stock Form adopted by ARI's board of directors on March 17, 2015, providing for the demutualization of ARI and the sale of its newly-authorized shares of common stock to HoldCo, which will sell all of its authorized capital stock to AmTrust pursuant to the Stock Purchase Agreement, which we refer to together as the Conversion ;
- (vi) references to the Stock Purchase Agreement are to the Stock Purchase Agreement dated as of March 17, 2015, as amended November 25, 2015, between ARI and AmTrust;
- (vii) references to the Offering are to the offering of shares of AmTrust's common stock described herein;
- (viii) references to Eligible Members are to those ARI members who held an in-force ARI policy on March 17, 2015 (the Record Date for the Special Meeting), whether or not it has since expired. Eligible Members are entitled to vote on the Plan of Conversion at the Special Meeting;
- (ix) references to Non-Employee Directors are to those members of ARI's board of directors who are not ARI employees; and
- (x) references to the Pennsylvania Order are to the Decision and Order, dated November 6, 2015, of the Insurance Commissioner of the Commonwealth of Pennsylvania approving the Conversion and the change of control of ARI.

Copies of the Plan, the proposed Amended and Restated Articles of Incorporation of ARI (which we refer to as the Amended Charter), the Stock Purchase Agreement and its amendment and the Pennsylvania Order are included as Appendices A, B, C, D and F, respectively, to this proxy statement/prospectus.

AmTrust's common stock is listed on the Nasdaq Global Select Market under the symbol AFSI.

Investing in AmTrust's common stock involves risk. See Risk Factors beginning on page 14 of this proxy statement/prospectus.

THIS PROXY STATEMENT/PROSPECTUS INCORPORATES ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about AmTrust from other documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. For a listing

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of the documents incorporated by reference into this proxy statement/prospectus, see **Where You Can Find More Information** beginning on page 61.

You may obtain documents incorporated by reference into this proxy statement/prospectus, without charge, by requesting them in writing or by telephone from AmTrust at the following address or telephone number:

Stephen B. Ungar, Esq.

Senior Vice President, General Counsel and Secretary

AmTrust Financial Services, Inc.

59 Maiden Lane, 43rd Floor

New York, NY 10038

Telephone Number: (212) 220-7120

If you would like to request any documents, you must do so by January 5, 2016 in order to receive them before the Expiration Date of the Offering.

FOR MORE INFORMATION

You can reach representatives of ARI by telephone at (609) 323-1086 or by email at ARISubscriptions@ari-ins.com with questions about the Special Meeting.

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QUESTIONS & ANSWERS ABOUT THE TRANSACTION AND THE SPECIAL MEETING

The following is intended to address briefly some questions that you may have about the transactions described in this proxy statement/prospectus or the Special Meeting. It may not address all questions that may be important to you. To better understand these matters, and for a description of the applicable legal terms, you should carefully read this entire proxy statement/prospectus, including the appendices.

Who is ARI?

ARI is a Pennsylvania mutual insurance company that is principally engaged in the specialty commercial auto insurance business in the states of New Jersey, Pennsylvania, Maryland and Virginia. ARI is also licensed to write insurance in Delaware. You may find more information about ARI in [Information about ARI](#) on page 55 of this proxy statement/prospectus, as well as in the sources referred to in [Where You Can Find More Information](#) on page 61.

Who are ARI's members?

Because ARI is a mutual company, it does not have stockholders. ARI's members are those persons who, at any given time, hold an in-force insurance policy issued by ARI. The rights of members, as such, are described in [Summary of Rights of Policyholders of ARI in their Capacity as Such](#) on page 60 of this proxy statement/prospectus.

Who is AmTrust?

AmTrust is a Delaware stock insurance holding company whose stock is publicly traded and listed on the NASDAQ Global Select Market. AmTrust underwrites and provides property and casualty insurance in the United States and internationally to niche customer groups that it believes are generally underserved within the broader insurance market.

What are the anticipated benefits of the conversion to the policyholders of ARI?

If the Conversion is consummated, ARI's board of directors expects that ARI's members who are policyholders of ARI will realize a number of benefits. In addition to the opportunity Eligible Members have to buy shares of AmTrust common stock at a discount, these benefits include, but are not limited to, remaining a policyholder of a company with:

the ability to further the interests of its specialty commercial auto customers by continuing to be able to offer insurance products and services sensitive to their needs;

a higher A.M. Best Company (A.M. Best) Financial Strength Rating and Financial Size Category AmTrust has an A(XIII) A.M. Best rating;

greater diversification of overall risk due to diversification of business lines and geography;

potential access to a significant amount of additional capital;

increased size and scale; and

opportunity for improved earnings through cost savings.

When and where will the Special Meeting take place?

The Special Meeting will be held at the corporate headquarters of ARI located at 125 Pheasant Run, Newtown, Pennsylvania, on January 21, 2016, at 10:00 a.m., Eastern Time, which we refer to as the Special Meeting Date.

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What matters will be considered at the Special Meeting?

At the Special Meeting, the Eligible Members of ARI will be asked to consider and vote on proposals to (1) adopt and approve the Plan, a copy of which is attached as Appendix A to this proxy statement/prospectus, (2) adopt the Amended Charter, a copy of which is included as Appendix B to this proxy statement/prospectus, (3) to approve the adjournment of the Special Meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to approve the proposals described above, and (4) transact such other business as may properly come before the Special Meeting. ARI's board of directors does not intend to bring any other matters before the Special Meeting, and ARI does not know of any additional matters to be brought before the Special Meeting by others. If any other matters properly come before the Special Meeting and authorization is given on an Eligible Member's proxy, it is the intention of the persons named in the proxy to vote such proxy in accordance with their best judgment.

What will happen to ARI as a result of the Conversion?

If all conditions set forth in the Plan and the Stock Purchase Agreement are met, including receipt of the approval by the Eligible Members at the Special Meeting, (i) ARI will convert from mutual to stock form, (ii) ARI will issue all of its authorized shares of capital stock to HoldCo and become a wholly owned subsidiary of HoldCo, and (iii) HoldCo will issue all of its authorized shares of capital stock to AmTrust for an aggregate purchase price of between \$23,800,000 and \$32,200,000, becoming a wholly-owned subsidiary of AmTrust. This will have no impact on the organizational functioning of ARI. If the Offering proceeds are less than \$23,800,000, AmTrust expects to fund the remainder of the HoldCo Stock Purchase Price from its other resources, which may include drawing on its existing credit facility.

What will be the effect upon member rights of ARI members?

Policyholders of ARI currently have member rights in ARI, including the right to vote for election of ARI's board of directors. Following the consummation of the Conversion, all member rights in ARI will be extinguished, including the right to vote for the election of directors of ARI, whether provided by ARI's articles of incorporation or bylaws or Pennsylvania law.

Will the Conversion of ARI have any impact on my in-force insurance policy issued by ARI?

None. Following the Conversion, all ARI policies will remain policies issued and backed by ARI and policyholders of ARI will continue to enjoy all contract rights under their respective ARI insurance contracts. ARI will become an indirect, wholly-owned subsidiary of AmTrust, which may provide ARI additional financial support, making ARI a stronger company than it is as a standalone company. The Conversion will not result in any change in existing coverage or services provided to policyholders of ARI.

How is the per share purchase price for AmTrust shares calculated in the Offering?

AmTrust will sell the shares offered hereby at a discount to the volume-weighted average trading price of a share of its common stock, as reported on the NASDAQ Global Select Market, for the 10 trading-day period ending on the trading day before the date of the Special Meeting (the "10-day VWAP"). The size of the discount per share and the number of shares purchased in this offering will depend on the amount subscribed and the market price of AmTrust's common stock during the relevant period. The discount per share will be fixed between approximately 12.5% and 20% of the 10-day VWAP. The aggregate discount for all shares sold will not exceed \$3,750,000.

When will the per share purchase price for AmTrust shares be calculated?

The price will be calculated after the close of trading on the business day before the Special Meeting Date. Following the adjournment of the Special Meeting, AmTrust will announce the results of the Offering, including the total amount of subscriptions received, the 10-day VWAP, the discount, the purchase price per share, and the number of shares issued in the Offering.

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Who is entitled to vote at the Special Meeting?

Members of ARI who held an insurance policy issued by ARI that was in force on March 17, 2015, whether or not it has since expired are entitled to notice of, and to vote at, the Special Meeting.

What constitutes a quorum for purposes of the Special Meeting?

Ten Eligible Members present in person or by valid proxy at the Special Meeting will constitute a quorum. If there are not sufficient votes at the Special Meeting to adopt the Plan and the Amended Charter, ARI expects to adjourn the Special Meeting to solicit additional proxies and intends to vote any proxies it has received at the time of the Special Meeting in favor of an adjournment.

How many votes will I have at the Special Meeting?

The voting rights of ARI members with respect to the adoption of the Plan and the Amended Charter are governed by applicable Pennsylvania law and ARI's articles of incorporation and bylaws. Each Eligible Member is entitled, in accordance with ARI's bylaws, to one vote even if the member owns multiple policies. Each Eligible Member will retain such voting rights regardless of any change in status of any policy between March 17, 2015 and the date of the Special Meeting.

What vote is required to adopt the Plan at the Special Meeting?

The adoption of the Plan requires the affirmative vote of not less than two-thirds of the votes cast by Eligible Members. This means that as long as a quorum is achieved, only the votes of those Eligible Members who vote will be counted to determine if the Plan is adopted. If you do not attend the meeting, or you attend and do not vote, your abstention will not have an impact on whether or not the Plan is adopted. Approval of the Amended Charter is a condition to the effectiveness of the Plan.

What vote is required to adopt the Amended Charter at the Special Meeting?

The adoption of the Amended Charter requires the affirmative vote of not less than two thirds of the votes cast by Eligible Members. This means that as long as a quorum is achieved, only the votes of those Eligible Members who vote will be counted to determine if the Amended Charter is adopted. If you do not attend the meeting, or you attend and do not vote, your abstention will not have an impact on whether or not the Amended Charter is adopted.

How does ARI's Board of Directors recommend I vote?

ARI's board of directors recommends that you vote **FOR** the proposal to adopt and approve the Plan and **FOR** the proposal to adopt and approve the Amended Charter.

Can I cast my votes at the Special Meeting by submitting a proxy?

Yes. An Eligible Member can participate in the Special Meeting by proxy by filling out and returning to ARI the proxy card that is being sent to you in a separate envelope. Any properly executed proxy cards received before the Special Meeting and not duly and timely revoked will be voted at the Special Meeting in accordance with the instructions indicated on such proxies. If no instructions are given on properly executed proxies received by ARI, such proxies will be voted at the Special Meeting **FOR** the adoption of the Plan and **FOR** the approval of the Amended Charter. If conflicting instructions are given on a proxy, such proxy will not be counted as a vote cast **FOR** or

AGAINST such approvals and adoptions.

What other ways can I vote?

You can attend the Special Meeting in person and cast your vote by ballot.

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Can I change my vote or revoke my proxy after I return my proxy card?

Yes. Any proxy may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by: (i) filing with the Corporate Secretary of ARI, at or before the taking of the vote at the Special Meeting, a written notice of revocation bearing a later date than the proxy; (ii) duly executing and delivering a later dated proxy by mail (delivering it to the Corporate Secretary of ARI before the Special Meeting, or any adjournments, postponements, rescheduling or continuations thereof); or (iii) attending the Special Meeting and voting in person (attendance at the Special Meeting will not in and of itself constitute the revocation of a proxy). Any written notice of revocation or subsequent proxy must be sent to and received by ARI at 125 Pheasant Run, Newtown, PA 18940-3428, Attention: J. Tucker Ericson, Corporate Secretary, or hand delivered to the Corporate Secretary of ARI before the Special Meeting. ARI members may obtain a new proxy by submitting a request to the Corporate Secretary at the address above or by contacting representatives of ARI at the telephone number or email address provided below.

How can I find out more information about the Special Meeting and the Offering?

You can contact representatives of AmTrust and ARI by telephone at (609) 323-1086 or by email at ARISubscriptions@ari-ins.com. Representatives of ARI will respond to telephone inquiries from members regarding their vote in connection with the Special Meeting. Representatives of AmTrust will also respond to telephone inquiries from members regarding the Offering.

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SUMMARY

This summary highlights selected information contained in this proxy statement/prospectus and may not contain all the information that is important to you. We urge you to read this proxy statement/prospectus carefully and in its entirety, as well as the appendices. For additional important information regarding ARI and AmTrust, see *Where You Can Find More Information* beginning on page 61.

The Companies

ARI and its Subsidiaries

ARI is a Pennsylvania mutual insurance company, which redomesticated to Pennsylvania in July 2014. Before such redomestication, ARI was a New Jersey mutual insurance company. ARI is principally engaged in the specialty commercial auto insurance business in the states of New Jersey, Pennsylvania, Maryland and Virginia, but substantially all of its policies are written in New Jersey. ARI is also licensed to write insurance in Delaware. ARI has a wholly-owned subsidiary, ARI Casualty Company, a New Jersey stock insurer (*ARI Casualty*). ARI Casualty ceased writing new insurance policies in 2011 and is inactive. ARI provides specialty commercial automobile policies, primarily to owner/operators and non-fleet customers. Business is produced through a network of approximately 265 independent agencies and brokers. See *Information about ARI* on page 55 for more information.

ARI's principal executive office is located at 125 Pheasant Run, Newtown, Pennsylvania 18940-3428, and its telephone number at that address is (609) 882-7500.

AmTrust and its Subsidiaries

AmTrust is a Delaware stock insurance holding company whose common stock is publicly traded and listed on the NASDAQ Global Select Market. AmTrust underwrites and provides property and casualty insurance products in the United States and internationally to niche customer groups that it believes are generally underserved within the broader insurance market. AmTrust manages its operations through three segments: Small Commercial Business, Specialty Risk and Extended Warranty and Specialty Program. If the Conversion is completed, ARI will become an indirect, wholly-owned subsidiary of AmTrust and will operate within one of AmTrust's three business segments.

AmTrust's product mix includes, primarily, workers' compensation, extended warranty and other commercial property/casualty insurance products. Its workers' compensation and property/casualty insurance policyholders in the United States are generally small and middle market businesses. AmTrust's extended warranty customers are manufacturers, distributors and retailers of commercial and consumer products. AmTrust has also built a strong and growing distribution of extended warranty and specialty risk products, including liability and other property/casualty products, in Europe. The majority of its products are sold through independent third-party brokers, agents, retailers or administrators. See *Information about AmTrust* on page 54 for more information.

AmTrust's principal executive office is located at 59 Maiden Lane, 4th Floor, New York, New York 10038, and its telephone number at that address is (212) 220-7120.

Table of Contents**AmTrust Selected Historical Financial Data**

The following tables set forth selected historical consolidated financial data and operating information of AmTrust for the periods ended and as of the dates indicated, which have been derived from AmTrust's audited consolidated financial statements and interim condensed consolidated financial statements (unaudited). These historical data provide only a summary and are not necessarily indicative of results to be expected from any future period. You should read them together with the audited consolidated financial statements and notes thereto, interim condensed consolidated financial statements (unaudited), other financial information and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in AmTrust's Annual Report on Form 10-K for the year ended December 31, 2014 and 10-Q for the period ended September 30, 2015, and other information that AmTrust has filed with the SEC and incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 61.

	Nine Months Ended		Year Ended December 31,				
	September 30,	2014	2014	2013	2012	2011	2010
	2015	2014	2014	2013	2012	2011	2010
	(Amounts in Thousands)						
Selected Income Statement Data (1)							
Gross written premium	\$ 5,190,338	\$ 4,628,317	\$ 6,087,965	\$ 4,116,911	\$ 2,749,326	\$ 2,150,472	\$ 1,560,822
Ceded gross written premium	(1,995,445)	(1,570,170)	(2,131,347)	(1,551,238)	(1,101,289)	(873,875)	(733,596)
Net written premium	\$ 3,194,893	\$ 3,058,147	\$ 3,956,618	\$ 2,565,673	\$ 1,648,037	\$ 1,276,597	\$ 827,226
Change in unearned premium	(231,138)	(439,746)	(430,054)	(299,683)	(229,185)	(239,736)	(81,567)
Net earned premium	\$ 2,963,755	\$ 2,618,401	\$ 3,526,564	\$ 2,265,990	\$ 1,418,852	\$ 1,036,861	\$ 745,659
Service and fee income	346,766	308,083	409,743	331,559	172,174	108,660	62,067
Net investment income	111,281	95,673	131,601	84,819	68,167	55,515	50,517
Net realized and unrealized gain on investments	30,693	14,431	16,423	15,527	8,981	2,768	5,953
Total revenues	\$ 3,452,495	\$ 3,036,588	\$ 4,084,331	\$ 2,697,895	\$ 1,668,174	\$ 1,203,804	\$ 864,196
Loss and loss adjustment expense	1,961,362	1,755,155	2,342,619	1,517,361	922,675	678,333	471,481
Acquisition costs and other underwriting expenses (2)	728,402	620,181	856,923	533,162	356,005	271,367	157,711

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Other (3)	313,487	278,672	436,350	291,617	177,709	117,090	56,403
Total expenses	\$ 3,003,251	\$ 2,654,008	\$ 3,635,892	\$ 2,342,140	\$ 1,456,389	\$ 1,066,790	\$ 685,595
Income before other income (expense), income taxes and equity in earnings of unconsolidated subsidiaries	\$ 449,244	\$ 382,580	\$ 448,439	\$ 355,755	\$ 211,785	\$ 137,014	\$ 178,601
Other income (expense):							
Interest expense	(32,763)	(35,885)	(45,857)	(34,691)	(28,508)	(16,079)	(12,902)
Loss on extinguishment of debt	(5,271)		(9,831)				
Gain (loss) on investment in life settlement contracts, net of profit commission	19,085	(5,180)	12,306	3,800	13,822	46,892	11,855
Foreign currency gain (loss)	17,355	25,826	60,245	(6,533)	(242)	(2,418)	684
Gain on acquisition	5,826			48,715		5,850	
Gain on sale of subsidiary		6,631	6,631				
Total other (expense) income	\$ 4,232	\$ (8,608)	\$ 23,494	\$ 11,291	\$ (14,928)	\$ 34,245	\$ (363)
Income before income taxes and equity in earnings of unconsolidated subsidiaries	\$ 453,476	\$ 373,972	\$ 471,933	\$ 367,046	\$ 196,857	\$ 171,259	\$ 178,238
Provision (benefit) for income taxes	38,635	37,746	53,686	98,019	21,292	(15,023)	53,890
Income before equity in earnings of unconsolidated subsidiaries	414,841	336,226	418,247	269,027	175,565	186,282	124,348
Equity in earnings of unconsolidated subsidiaries-related parties	23,048	26,847	28,351	11,566	9,295	4,882	23,226
Net income	437,889	363,073	446,598	280,593	184,860	191,164	147,574
Non-controlling interest and redeemable	(6,940)	7,029	416	1,633	(6,873)	(20,730)	(5,109)

non-controlling
interest

Net income
attributable to
AmTrust Financial
Services, Inc.

430,949	370,102	447,014	282,226	177,987	170,434	142,456
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Dividends on
preferred stock

(22,797)	(7,387)	(12,738)	(3,989)
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Net income
attributable to
AmTrust common
stockholders

\$ 408,152	\$ 362,715	\$ 434,276	\$ 278,237	\$ 177,987	\$ 170,434	\$ 142,465
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	Nine Months Ended			Year Ended December 31,			
	September 30, 2015	2014	2014	2013	2012	2011	2010
(Amounts in Thousands, Except Percentages and per Share Data)							
Per Share Data							
Basic Income Per Share:							
Net income allocated to AmTrust Financial Services, Inc. common stockholders basic	\$ 4.96	\$ 4.84	\$ 5.78	\$ 3.75	\$ 2.42	\$ 2.34	\$ 1.97
Basic weighted average common shares outstanding	82,019	74,691	74,933	74,163	73,269	72,685	72,302
Diluted Income Per Share:							
Net income allocated to AmTrust Financial Services, Inc. common stockholders diluted	\$ 4.86	\$ 4.57	\$ 5.45	\$ 3.56	\$ 2.34	\$ 2.29	\$ 1.95
Diluted weighted average common shares outstanding	83,746	79,085	79,517	77,984	75,620	74,431	73,194
Dividend declared per common share	\$ 0.80	\$ 0.60	\$ 0.85	\$ 0.56	\$ 0.39	\$ 0.34	\$ 0.29
Selected Insurance Ratios and Operating Information							
Net loss ratio (4)	66.2%	67.0%	66.4%	67.0%	65.0%	65.4%	63.2%
Net expense ratio (5)	24.6%	23.7%	24.3%	23.5%	25.1%	26.2%	22.1%
Net combined ratio (6)	90.8%	90.7%	90.7%	90.5%	90.1%	91.6%	85.3%
Return on common equity (7)	28.1%	32.1%	28.4%	22.5%	17.5%	21.2%	22.2%

	As of		As of December 31,			
	September 30, 2015	2014	2013	2012	2011	2010
(Amounts in Thousands)						
Selected Balance Sheet Data (1)						
Cash, cash equivalents and restricted cash	\$ 1,167,703	\$ 1,088,975	\$ 930,461	\$ 493,132	\$ 429,951	\$ 201,949
Investments	5,523,880	4,575,881	3,657,309	2,203,270	1,656,687	1,357,012

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Reinsurance recoverable	2,951,764	2,440,627	1,929,848	1,318,395	1,098,569	775,432
Premiums receivable, net	2,322,422	1,851,682	1,593,975	1,251,262	932,992	727,561
Goodwill and intangibles assets	863,133	667,681	665,393	532,839	392,455	204,139
Total assets	16,952,439	13,847,368	11,279,126	7,436,511	5,762,419	4,205,741
Reserves for loss and loss adjustment expense	6,694,036	5,664,205	4,368,234	2,426,400	1,879,175	1,263,537
Unearned premiums	4,134,048	3,447,203	2,680,982	1,773,593	1,366,170	1,024,965
Deferred income tax liability		106,363	274,519	264,032	148,297	33,171
Revolving credit facility	130,000	120,000				
Notes payable	250,000	250,000	250,000			6,667
2.75% Convertible senior notes due 2044	161,706	157,679				
5.50% Convertible senior notes due 2021	5,163	56,745	164,218	161,218	138,506	
7.25% Subordinated notes due 2055	150,000					
7.50% Subordinated notes due 2055	135,000					
Junior subordinated debt	123,714	123,714	123,714	123,714	123,714	123,714
Common stock, preferred stock and additional paid in capital less treasury stock	1,387,059	1,026,163	864,173	468,226	282,805	249,086
Total AmTrust Financial Services, Inc. equity	2,622,706	2,037,020	1,441,005	1,144,121	890,563	716,514

- (1) Results for a number of periods were affected by AmTrust's various acquisitions from 2010 to September 30, 2015.
- (2) Acquisition costs and other underwriting expenses include policy acquisition expenses, commissions paid directly to producers, premium taxes and assessments, salary and benefits and other insurance general and administrative expenses which represent other costs that are directly attributable to insurance activities. These costs and expenses are reduced by ceding commission earned through external reinsurance agreements.
- (3) Other operating expenses include non-cash amortization of tangible and intangible assets, goodwill impairment and non-insurance revenue generating activities in which we engage.
- (4) Net loss ratio is calculated by dividing the loss and loss adjustment expense by net premiums earned.
- (5) Net expense ratio is calculated by dividing the total of acquisition costs and other underwriting expenses by net premiums earned.
- (6) Net combined ratio is calculated by adding net loss ratio and net expense ratio together.
- (7) Return on common equity is calculated by dividing net income by the average common stockholders' equity for the period.

Table of Contents**AmTrust Historical Per Share and Dividend Data**

The following table sets forth AmTrust's historical book value per share as of December 31, 2014, and its cash dividends declared per common share, basic earnings per common share and diluted earnings per common share for the year ended December 31, 2014.

	Historical Book Value Per Share	Cash Dividends Declared	Basic EPS	Diluted EPS
As of and for the year ended December 31, 2014	\$ 22.34	\$ 0.85	\$ 5.78	\$ 5.45

The Conversion

In accordance with the Plan and the Pennsylvania Insurance Company Mutual-to-Stock Conversion Act, 40 P.S. Section 911-A, et seq (the Pennsylvania Conversion Act), ARI has obtained an appraisal of the pro forma fair market value of ARI as converted to a stock corporation from Feldman Financial Advisors, Inc. (Feldman), an independent consulting firm experienced in the valuation of insurance companies. Feldman has determined, as of March 31, 2015, that the pro forma fair market value of ARI, as converted, is between \$23,800,000 (the Minimum of the Valuation Range) and \$32,200,000 (the Maximum of the Valuation Range). An update was obtained from Feldman as of August 20, 2015. For more information regarding the appraisals, see The Plan of Conversion Appraisal of ARI beginning on page 23.

Pursuant to the Plan, the Stock Purchase Agreement, and the Pennsylvania Conversion Act, after approval by the Eligible Members:

- (i) ARI will file the Amended Charter with the Secretary of the Commonwealth of Pennsylvania, thereby converting from mutual to stock form,
- (ii) ARI will issue all of its authorized shares of capital stock to HoldCo and become a wholly owned subsidiary of HoldCo,
- (iii) HoldCo will sell all of its shares of authorized capital stock to AmTrust at a price equal to the greater of the gross proceeds received by AmTrust in the Offering and the Minimum of the Valuation Range and become a wholly owned subsidiary of AmTrust, and
- (iv) AmTrust will issue shares of its common stock to the Eligible Members and Non-Employee Directors subscribing in the Offering.

The Plan is included as Appendix A to this proxy statement/prospectus and is described under The Plan of Conversion on page 17. Approval of the Plan by the Eligible Members effectively approves all of the transactions contemplated therein; provided that the Conversion is contingent on the separate approval of the Amended Charter, which is set forth in Appendix B hereto. Following effectiveness of the Conversion, which we refer to as the Effective Time, ARI will continue its operations as a separate insurance subsidiary of AmTrust, availing itself of AmTrust's A(XIII) rating by A.M. Best Company, and the policyholders of ARI will remain policyholders of ARI.

Effect Upon Member Rights of ARI Members and Contract Rights of ARI Policyholders

Policyholders of ARI currently enjoy member rights in ARI, including the right to vote for election of ARI's board of directors and, possibly, the right to share in the surplus (if any) of a solvent liquidation of ARI. Following the consummation of the Conversion, all member rights in ARI, whether provided by ARI's articles of incorporation or bylaws or Pennsylvania law, will be extinguished.

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All ARI policies will remain policies issued and backed by ARI, and all rights specified in such policies will remain unchanged. See [The Plan of Conversion Rights as a Member of ARI Following Conversion](#) on page 37 of this proxy statement/prospectus.

The Stock Purchase Agreement

Pursuant to the Stock Purchase Agreement, AmTrust will purchase all of the authorized shares of capital stock of HoldCo at a purchase price equal to the greater of the gross proceeds received by AmTrust in the Offering and the Minimum of the Valuation Range. For a detailed description of the terms of the Stock Purchase Agreement, see [The Stock Purchase Agreement](#) on page 38 of this proxy statement/prospectus.

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The Offering

Shares Offered

AmTrust is offering shares of its common stock with aggregate gross sale proceeds of up to \$32,200,000 to the Eligible Members of ARI on a preferential basis and, if and to the extent the Eligible Members do not subscribe for the maximum offered amount, to the Non-Employee Directors of ARI. There is no minimum number of shares that AmTrust must sell in the Offering, and the number of shares sold will vary depending on the proceeds received and the purchase price per share.

Determination of the Purchase Price

The purchase price of such shares will be at a discount from the volume weighted average trading price of a share of AmTrust common stock, as reported on the NASDAQ Global Select Market, for the 10 trading-day period ending on the trading day before the Special Meeting Date (the Pricing Date). The size of the discount and the number of shares purchased in the Offering will depend on the amount subscribed and the market price of AmTrust's common stock during the relevant period. The discount per share will be 20% if the proceeds are \$4,025,000 or less and will decrease in a linear fashion with greater proceeds to approximately 10.43% if the gross proceeds equal \$32,200,000. The aggregate discount for all shares sold will not exceed \$3,750,000. The manner of calculating the discount is described in The Offering Purchase Price on page 44 of this proxy statement/prospectus.

Limitations on Subscriptions

To the extent that shares of AmTrust common stock are available, the minimum subscription amount for any person is the lesser of (i) the aggregate purchase price of 25 shares in the Offering and (ii) \$500. The maximum amount for which any Eligible Member may subscribe in the Offering is \$100,000 and the maximum amount for which any Non-Employee Director may subscribe in the Offering is \$50,000, irrespective of any different capacities in which such person subscribes. These limitations and the participation of the Non-Employee Directors, who are subject to certain additional limitations, are described in The Offering Limitations on Subscriptions and Purchases of Common Stock on page 47 of this proxy statement/prospectus.

Procedure for Subscription

Subscriptions must be made by completing and returning the signed stock order form provided with this proxy statement/prospectus and providing a check, bank draft, money order or wire transfer in payment of the subscription amount, to AmTrust's subscription agent, Sabr Group, before the Expiration Date referred to below. *However*, subscriptions will not be accepted if the related check or money order does not clear by 4:00 p.m., Eastern Time, on the Pricing Date, irrespective of the reason.

Uncertified personal checks may take five days or more to clear. Therefore, you are advised to send a cashier's (bank) check, certified personal check or wire transfer with your stock order form. An Eligible Member may not transfer the Eligible Member's right to subscribe in the Offering to any person. For more

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information, see *The Offering* on page 43 of this proxy statement/prospectus. Once tendered, subscriptions cannot be modified or revoked without AmTrust's consent.

Expiration of the Offering

The *Expiration Date*, when the Offering will expire, is 5:00 p.m. Eastern Time on January 12, 2016, or such later date as AmTrust and ARI agree. The number of shares to be issued to each person whose subscription is accepted will be determined as soon as practicable after the *Pricing Date*.

Delivery of Shares

Shares purchased in the Offering will be issued in book-entry form in the Direct Registration System as soon as practicable after the closing of the Offering. No physical stock certificates will be issued for shares purchased in the Offering. See *The Offering Delivery of Common Stock* on page 49 for more information.

Price Protection

AmTrust has agreed to repurchase from any subscriber in the Offering all, but not less than all, of the specific shares of AmTrust common stock acquired by such subscriber in the Offering for an amount equal to the subscription price; provided that the subscriber makes a written request to AmTrust as specified in the instructions to the stock order form within sixty (60) days following the *Closing Date* (three hundred seventy-five (375) days in the case of a Non-Employee Director). See *The Stock Purchase Agreement Additional Obligations of the Parties* on page 39 for more information.

The closing market price of a share of AmTrust common stock on March 17, 2015 (the date preceding public announcement of the proposed transaction) was \$56.21. The closing market price on December 4, 2015 was \$63.91.

Special Meeting of Members

ARI will hold its Special Meeting of Members on January 21, 2016 at 10:00 a.m., Eastern Time, at the offices of ARI, at 125 Pheasant Run, Newtown, Pennsylvania. At the Special Meeting, Eligible Members will be asked to consider and vote upon proposals to adopt and approve the Plan and adopt and approve the Amended Charter, and to consider and vote upon any other matters that may properly come before the meeting.

If, based on ARI's records, you are listed as a policyholder of ARI as of the close of business on the Record Date, you will be entitled to one vote on each matter properly presented for a vote at the Special Meeting, including the proposal to adopt and approve the Plan and the proposal to adopt and approve the Amended Charter. Even if an Eligible Member owns multiple policies, such member will still receive only one proxy card and will be entitled to only one vote. Each Eligible Member shall be entitled to vote either in person by ballot at the Special Meeting or by proxy. The affirmative vote of at least two-thirds of the votes cast by Eligible Members present in person or by valid proxy at the Special Meeting is required to adopt and approve each of the Plan and the Amended Charter. Proxies must be received by 5:00 p.m., Eastern Time, on January 20, 2016 in order to be counted. Ten Eligible Members present in person or by valid proxy will constitute a quorum at the Special Meeting.

For detailed information about the Special Meeting and the proposals to be voted on, see The ARI Special Meeting beginning on page 42.

Table of Contents**Recommendation of the ARI Board of Directors*****Reasons for the Plan of Conversion***

ARI's board of directors approved the sponsored subscription rights conversion with AmTrust because (a) ARI's Eligible Members will have an opportunity to acquire AmTrust common stock at a discount; and (b) ARI and its policyholders will benefit from ARI's potential access to a significant amount of additional capital, receiving AmTrust's A(XIII) rating by A.M. Best Company, operating as a wholly-owned subsidiary of AmTrust or one of its insurance subsidiaries and serving as a platform for AmTrust's specialty commercial auto business, which will permit ARI to continue to serve its specialty auto insurance customers and to maintain its ARI name, headquarters in Newtown, Pennsylvania and management team and providing ARI employees with opportunities for career advancement. You can find more information about ARI's reasons for the Conversion in *The Plan of Conversion Background of the Plan of Conversion* at page 17 of this prospectus/proxy statement.

AmTrust's decision to acquire ARI is part of AmTrust's strategy of achieving growth through the acquisition of strategic partners in underserved niche markets. ARI's policyholders, generally, are smaller businesses that fit well with AmTrust's model, and AmTrust believes that ARI's experienced and proven management team is the right partner to enable AmTrust to expand its business in specialty commercial auto. With AmTrust's support, AmTrust expects that ARI will achieve greater profitability while fulfilling its mission and expanding its business. You can find more information about AmTrust's reasons for the Conversion in *The Plan of Conversion AmTrust's Reasons for the Transaction* at page 34 of this prospectus/proxy statement.

Opinion of Financial Advisor

ARI's board of directors, at its meeting on March 17, 2015, received an oral opinion of Griffin Financial Group, LLC (Griffin), ARI's financial advisor, that, based upon certain analyses and studies Griffin performed and subject to the factors, assumptions and caveats stated in that opinion and in its written opinion, the proposed acquisition of ARI and ARI Casualty by AmTrust in connection with the conversion of ARI from a mutual insurance company to the stock form of organization, was fair, from a financial point of view, to ARI. Griffin subsequently confirmed the oral opinion by delivery of its written opinion, dated March 17, 2015 and addressed to ARI's board of directors, which is attached to this proxy statement/prospectus as Appendix E. The opinion outlines the processes and procedures Griffin followed, the information Griffin reviewed, the analyses it performed, the matters it considered, and the assumptions it made in arriving at its opinion. Members of ARI are urged to read the entire opinion, as well as the description of ARI's opinion in *The Plan of Conversion Opinion of Financial Advisor to ARI's Board of Directors* beginning on page 24, carefully before voting on the Plan. Griffin's opinion was provided for the use and benefit of ARI's board of directors in connection with its consideration of the sponsored subscription rights transaction with AmTrust. The opinion is not intended to be, and does not constitute, a recommendation to any Eligible Member of ARI as to how such Eligible Member should vote with respect to the Plan or whether any Eligible Member should purchase AmTrust shares in the Offering.

Pursuant to its engagement with ARI, Griffin was entitled to receive for its opinion, and has been paid, a customary fee from ARI. This fee was payable irrespective of the conclusion expressed in the opinion and whether or not the sponsored subscription rights conversion transaction closes. In addition, Griffin will be entitled to receive from ARI a customary fee for financial advisory services, contingent upon the closing of the sponsored subscription rights conversion transaction, and ARI has agreed to provide Griffin with contractual indemnification for certain liabilities under certain circumstances. ARI's board of directors was aware, when it engaged Griffin, that Scott T. Burgess, a director of ARI, is an employee of Griffin.

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Regulatory Matters

A condition to effectiveness of the Plan is that it and the change of control of ARI be approved by the Insurance Commissioner of the Commonwealth of Pennsylvania (the Pennsylvania Insurance Commissioner) under the Pennsylvania Conversion Act. ARI filed the Plan with the Pennsylvania Insurance Commissioner for her review, and approval was granted on November 6, 2015, which is attached as Appendix F. Approval of the New Jersey Commissioner of Banking and Insurance (the New Jersey Insurance Commissioner) for the change of control of ARI Casualty is also required, and was granted on December 3, 2015. Such approvals are contingent upon satisfaction of certain conditions including, without limitation, adoption and approval of the Plan by the Eligible Members of ARI.

No Appraisal Rights for ARI Members

Members of ARI do not have any right to seek an appraisal of their ARI membership rights whether or not they vote at the Special Meeting, participate in the Offering or are ineligible to do either.

United States Federal Income Tax Considerations

Eligible Members. The United States federal income tax consequences to Eligible Members of the Conversion and Offering are not certain. However, AmTrust believes that, upon consummation of the Conversion, (a) Eligible Members should be treated as transferring their membership interests in ARI in exchange for subscription rights to purchase the shares of AmTrust common stock offered in the Offering; (b) an Eligible Member should realize gain upon such exchange equal to the amount by which the fair market value of the subscription right received by the Eligible Member exceeds the Eligible Member's basis in the exchanged membership interest; (c) any gain realized by an Eligible Member as a result of the receipt of a subscription right must be recognized, whether or not the eligible Member exercises that right by subscribing for AmTrust shares; (d) any gain recognized by an Eligible Member as a result of the receipt of a subscription right should constitute a capital gain, which should be long term capital gain if the Eligible Member has held its membership interest for more than one year; and (e) if an Eligible Member is required to recognize gain on the receipt of a subscription right and does not exercise such subscription right: (i) the Eligible Member should recognize a corresponding loss upon the lapse of the unexercised subscription right, (ii) the amount of that loss should equal the gain previously recognized upon receipt of the unexercised subscription right, and (iii) if the common stock that an Eligible Member would have received upon exercise of the lapsed subscription right would have constituted a capital asset in the hands of that Eligible Member, the resulting loss upon lapse of the subscription right should constitute a capital loss.

Non-Employee Directors. The United States federal income tax consequences to the Non-Employee Directors of being granted subscription rights to participate in the Offering are also not certain. However, AmTrust believes and intends to take the position that Non-Employee Directors who subscribe for AmTrust shares should be treated as realizing compensation income in an amount equal to the excess of the value of the AmTrust shares received upon such subscription over the purchase price for the shares. See United States Federal Income Tax Considerations beginning on page 51 for more information.

The United States federal income tax consequences described above may not apply to all Eligible Members or Non-Employee Directors. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the Conversion and Offering including the receipt and the exercise or lapse of subscription rights based on your particular circumstances.

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RISK FACTORS

The proposed Conversion presents certain risks to ARI's current members, and the proposed Offering also involves certain risks as described below, which you should carefully consider. Also, in general, investing in AmTrust securities involves risk. Before subscribing for AmTrust common stock, you should carefully consider the Risk Factors discussed in AmTrust's most recent Annual Report on Form 10-K, as updated by AmTrust's quarterly reports on Form 10-Q and other filings AmTrust makes with the SEC in the future, as incorporated by reference into this proxy statement/prospectus, as well as other information AmTrust includes or incorporates by reference herein. Additional risks and uncertainties not presently known to AmTrust or that AmTrust currently deems immaterial may also materially affect AmTrust's business, results of operations and financial condition and may cause the value of AmTrust securities to decline.

Risks Related to the Conversion

ARI's management and Board of Directors have interests in pursuing the Conversion that are in addition to the members' interests.

ARI's board of directors and members of its management have interests in the Conversion that are in addition to the interests of ARI's members. These interests include the obligation of ARI to honor indemnification obligations that ARI may have to present and former directors and officers and the obligation of AmTrust to maintain directors' and officers' liability insurance with respect to those persons for a period of six (6) years following the Conversion. In addition, (a) ARI will continue to honor the employment and change of control agreements of officers and employees of ARI in effect as of the Conversion, (b) certain members of ARI's management have entered into new executive employment agreements with AmTrust, (c) an employee bonus pool of up to \$3,750,000 may be paid by AmTrust to ARI's employees, (d) Non-Employee Directors will each be paid a cash retention bonus of \$50,000 over the three years following the Conversion, (e) AmTrust will pay \$1,750,000 of retention bonus payments to ARI's employees, (f) members of the Advisory Board will be paid up to an aggregate of \$24,000 during the five (5) years following the Conversion, (g) AmTrust or ARI will pay an annual bonus pool to management of ARI, and (h) AmTrust may pay severance equal to from six to 52 weeks' base pay depending upon years of service with ARI to employees of ARI who are terminated within 18 months of the Conversion without cause. See The Plan of Conversion Effects of the Conversion Interests of Certain Persons in the Conversion beginning on page 36 for more information about these matters.

Consummation of the Conversion changes voting interests of members of ARI.

At present, members of ARI have the right to elect ARI's board of directors and to vote on all other matters presented to the ARI members for a vote. At the Effective Time, all rights of members, as such, will be extinguished, and the members will no longer have any right to vote in the election of directors of ARI, who will be elected by AmTrust as the sole stockholder of ARI.

The Plan and the Conversion may result in litigation.

Although expressly authorized by statute and approved by the Pennsylvania Insurance Commissioner, there can be no assurance that adoption of the Plan will not result in litigation challenging the validity of or arising out of acts taken pursuant to the Conversion. Litigation can be costly and time consuming and could result in a diversion of effort and resources by ARI's management.

ARI may not experience the anticipated improvement in its A.M. Best financial strength rating as a result of the Conversion.

As previously discussed in this proxy statement/prospectus, as a result of the Conversion, ARI will become an indirect, wholly-owned subsidiary of AmTrust, making it a stronger company than it is as a standalone company. Following the public announcement of this transaction, in March 2015, A.M. Best put ARI on watch

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with positive implications, and ARI anticipates that it may receive an upgrade to its rating from A.M. Best, but there is no guaranty that A.M. Best will upgrade ARI's financial strength rating as a result of completing the Conversion.

Risks Related to the Offering

The Offering may cause the price of AmTrust common stock to decline.

The purchase price of AmTrust shares in this Offering will be at a discount from the trading price of AmTrust common stock. This, together with the number of shares AmTrust would issue if AmTrust raises the maximum in proceeds permitted by the Offering, may result in a decrease in the trading price of AmTrust common stock. If Eligible Members subscribe in the Offering for a substantial subscription amount and purchase a substantial number of shares, and the purchasers of such shares subsequently choose to sell some or all of those shares, the resulting sales also could depress the trading price of AmTrust common stock. Each Eligible Member or Non-Employee Director who subscribes for AmTrust shares in the Offering, for a specified period following the completion of the Offering may require AmTrust to repurchase all of the shares acquired in the Offering at the offering price, which may also cause the trading price of AmTrust's common stock to decline.

Your ability to resell shares of AmTrust common stock that you purchase in this Offering may be delayed, and you may not be able to sell your shares at a price equal to or greater than the purchase price.

If you subscribe in the Offering, you will have no rights as a stockholder of the shares you purchased in the Offering until AmTrust issues the shares to you. Although AmTrust will endeavor to issue the shares as soon as practicable after the Effective Time, which may be several days after the Expiration Date of the Offering, there may be a delay between the Effective Time and the time that the shares are issued through the Direct Registration System. In addition, due to market factors, AmTrust cannot assure you that, following the Effective Time, you will be able to sell your common stock at a price equal to or greater than the purchase price.

If you do not act promptly and follow the subscription instructions, your subscription may be rejected.

Eligible Members and Non-Employee Directors who desire to subscribe in the Offering must act promptly to ensure that all required forms and payments are received by AmTrust's subscription agent before the Expiration Date. Once tendered, subscriptions to purchase shares of AmTrust common stock in the Offering cannot be modified or revoked without AmTrust's consent. If you fail to complete your subscription properly, send an incorrect payment amount or otherwise fail to follow the subscription procedures, depending on the circumstances, your subscription may be rejected or accepted only to the extent of the payment received. Any uncertified personal check or money order used to pay the subscription amount must clear by 4:00 p.m., Eastern Time, on the Pricing Date, and the clearing process may require five or more business days. If you make payment of the subscription amount by uncertified personal check or money order, your check or money order may not clear in sufficient time to enable you to purchase shares in the Offering. (You may eliminate this risk by paying the subscription amount by certified or cashier's check or bank draft drawn on a U.S. bank, or by a wire transfer.) Neither AmTrust nor the subscription agent undertakes to contact you concerning, or attempt to correct, an incomplete or incorrect subscription. AmTrust has the absolute right, in AmTrust's sole discretion and without liability to any person, to reject any subscription.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference herein and therein contain certain forward-looking statements that are intended to be covered by the safe harbors created by the Private Securities Litigation Reform Act of 1995. When we use words such as anticipate, intend, plan, believe, estimate, expect, similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include the plans and objectives of AmTrust management for future operations, including those relating to future growth of AmTrust's business activities and availability of funds, and are based on current expectations that involve assumptions that are difficult or impossible to predict accurately and many of which are beyond AmTrust's control. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties, including, but not limited to, non-receipt of expected payments from insureds or reinsurers, changes in interest rates, a downgrade in the financial strength ratings of AmTrust's insurance subsidiaries, the effect of the performance of financial markets on AmTrust's investment portfolio, the amounts, timing and prices of any share repurchases made by AmTrust under its share repurchase program, AmTrust's estimates of the fair value of AmTrust's life settlement contracts, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the cost and availability of reinsurance coverage, the effects of emerging claim and coverage issues, changes in the demand for AmTrust's products, AmTrust's degree of success in integrating acquired businesses, the effect of general economic conditions, state and federal legislation, regulations and regulatory investigations into industry practices, risks associated with conducting business outside the United States, developments relating to existing agreements, disruptions to AmTrust's business relationships with Maiden Holdings, Ltd., National General Holdings Corp., ACP Re, Ltd., or third party agencies and warranty administrators, breaches in data security or other disruptions with AmTrust's technology, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected, are discussed in AmTrust's Forms 10-K, 10-Q and 8-K incorporated by reference herein.

The projections and statements in or incorporated by reference into this proxy statement/prospectus speak only as of the date hereof, and AmTrust undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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THE PLAN OF CONVERSION

The following is a discussion of the material terms of the Plan, a copy of which is attached as Appendix A to this proxy statement/prospectus and incorporated by reference herein. You are urged to read carefully the Plan in its entirety.

Overview

The Plan and the Stock Purchase Agreement between ARI and AmTrust provide that, subject to appropriate member and regulatory approvals and other conditions: (i) ARI will convert from a mutual insurance company to the stock form of organization under the Pennsylvania Insurance Company Mutual-to-Stock Conversion Act by issuing all of its stock to Holdco; (ii) AmTrust will acquire the authorized common stock of Holdco for an amount of cash equal to at least \$23,800,000, the minimum of the valuation range established by the statutorily required and independently determined appraised value, and ARI will thereby become an indirect subsidiary of AmTrust; (iii) AmTrust will fund the purchase of Holdco common stock from the proceeds of an offering of AmTrust common stock to ARI members and Non-Employee Directors, plus, to the extent necessary, AmTrust cash; (iv) Eligible Members will receive the right to acquire up to \$32,200,000 of AmTrust common stock at a discount to its market price; (v) to the extent the aggregate discount realized by subscribers (the Aggregate Discount Value)