SELECTIVE®

Supplemental Investor Package

First Quarter 2011

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SELECTIVE INSURANCE GROUP, INC.
FIRST QUARTER 2011 INVESTOR PACKET
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Selective Insurance Group, Inc.
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Selective Insurance Group Reports First Quarter 2011 Earnings

Branchville, NJ – April 27, 2011 – Selective Insurance Group, Inc. (NASDAQ: SIGI) today reported its financial results for the first quarter ended March 31, 2011. Net income for the quarter was $0.39 per diluted share and operating income[1] was $0.32 per diluted share. Net investment income, after tax, increased 20% to $32.1 million compared to first quarter 2010.

"We had a good start to the year with our eighth consecutive quarter achieving price increases," said Chairman, President and Chief Executive Officer Gregory E. Murphy. "Our Commercial Lines renewal pure price was up 2.8% for the quarter due to our excellent agency relationships and our sophisticated underwriting and granular pricing capabilities. Although recent news reports indicate that the industry is attempting to be more disciplined, it certainly does not appear to be widespread.

"The overall statutory combined ratio was 102.6% for the quarter," said Murphy. "Catastrophe losses were $7 million including favorable catastrophe loss development of $5 million, the result of hail losses that did not materialize. In addition, there was $4 million in favorable casualty development that was partially offset by other property development of $1 million.

"Our Commercial Lines statutory combined ratio improved to 100.6% from 101.9% a year ago," Murphy continued. "Overall net premiums written were down 2% primarily due to pressure on commercial lines new business from a highly competitive market and a slow economic recovery. We are experiencing lower commercial lines audit return premiums, which were $3.7 million, a 68% improvement over the same period last year.

"Investment income, after tax, was $32 million, an increase of 20% over first quarter 2010," said Murphy. "These results were higher than expected due to very positive alternative investment performance. We anticipate returns will normalize over the balance of the year."

Selective's first quarter 2011 highlights compared to first quarter 2010:

- Net income was up 271% to $21.5 million, or $0.39 per diluted share, compared to $5.8 million, or $0.11 per diluted share;
- Net realized gains on investments increased $3.8 million, after tax, or $0.07 per diluted share, including non-cash other-than-temporary impairments of $0.4 million, after tax, compared to $5.4 million, after tax;
- Operating income[1] increased 168% to $17.8 million, or $0.32 per diluted share, compared to $6.6 million, or $0.12 per diluted share;
- Combined ratio: GAAP: 103.2% compared to 104.1%; Statutory: 102.6% compared to 102.8%;
- Total net premiums written (NPW) were down 2% to $361.8 million;
    - Commercial Lines NPW were down 4% to $300.3 million;
    - Personal Lines NPW were up 9% to $61.5 million;
- Catastrophe losses were $4.4 million, after tax, versus $15.7 million, after tax;
- Net investment income, after tax, increased 20% to $32.1 million; and
- Casualty reserve development was favorable $4 million compared to $9 million.

Balance Sheet and Guidance
At March 31, 2011, Selective's assets were $5.3 billion, up 1% over year end 2010. Stockholders' equity was up 1% to $1.1 billion and book value per share increased 1% to $20.06 for the quarter. Statutory surplus ended the quarter at $1.1 billion.

Selective's Board of Directors declared a $0.13 per share quarterly cash dividend on common stock payable June 1, 2011 to stockholders of record as of May 13, 2011.

Selective expects to generate a full year statutory and GAAP combined ratios of between 101% and 102%, which includes an elevated catastrophe loss assumption of 2 points and no assumptions for additional reserve development, favorable or unfavorable. Weighted average shares at year end are expected to be approximately 55 million.

The supplemental investor packet, including financial information that is not part of this press release, is available on the Investors' page of Selective's public website at www.selective.com. Selective's quarterly analyst conference call will be simulcast at 8:30 a.m. ET, on April 28, 2011 at www.selective.com. The webcast will be available for rebroadcast until the close of business on May 27, 2011.

About Selective Insurance Group, Inc.
Selective Insurance Group, Inc. is a holding company for seven property and casualty insurance companies rated "A+" (Superior) by A.M. Best. Through independent agents, the insurance companies offer primary and alternative market insurance for commercial and personal risks, and flood insurance underwritten by the National Flood Insurance Program. Selective maintains a website at www.selective.com.

Forward-Looking Statements
In this press release, Selective and its management discuss and make statements based on currently available information regarding their intentions, beliefs, current expectations and projections regarding Selective's future operations and performance.

Certain statements in this report, including information incorporated by reference, are "forward-looking statements" as that term is defined in the Private Securities Litigation

Reform Act of 1995 ("PSLRA"). The PSLRA provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. These statements relate to our intentions, beliefs, projections, estimations or forecasts of future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, or performance to be materially different from those expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by use of words such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “target,” “project,” “intend,” “believe,” “estimate,” “predict,” “potential,” “pro forma,” “seek,” “likely” or “continue” or other comparable terminology. These statements are only predictions, and we can give no assurance that such expectations will prove to be correct. We undertake no obligation, other than as may be required under the federal securities laws, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Factors that could cause our actual results to differ materially from those projected, forecasted or estimated by us in forward-looking statements, include, but are not limited to:

- difficult conditions in global capital markets and the economy;
- deterioration in the public debt and equity markets and private investment marketplace that could lead to investment losses and fluctuations in interest rates;
- ratings downgrades could affect investment values and therefore statutory surplus;
- the adequacy of our loss reserves and loss expense reserves;
- the frequency and severity of natural and man-made catastrophic events, including, but not limited to, hurricanes, tornadoes, windstorms, earthquakes, hail, terrorism, explosions, severe winter weather, floods and fires;
- adverse market, governmental, regulatory, legal or judicial conditions or actions;
- the concentration of our business in the Eastern Region;
- the cost and availability of reinsurance;
- our ability to collect on reinsurance and the solvency of our reinsurers;
- uncertainties related to insurance premium rate increases and business retention;
- changes in insurance regulations that impact our ability to write and/or cease writing insurance policies in one or more states, particularly changes in New Jersey automobile insurance laws and regulations;
- recent federal financial regulatory reform provisions that could pose certain risks to our operations;
- our ability to maintain favorable ratings from rating agencies, including A.M. Best, Standard & Poor's, Moody's and Fitch;
- our entry into new markets and businesses; and
- other risks and uncertainties we identify in filings with the United States Securities and Exchange Commission, including, but not limited to, our Annual Report on Form 10-K and other periodic reports.

These risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time-to-time. We can neither predict such new risk factors nor can we assess the impact, if any, of such new risk factors on our businesses or the extent to which any factor or combination of factors may cause actual results to differ materially from those expressed or implied in any forward-looking statements in this report. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

Selective's SEC filings can be accessed through the Investors and Corporate Governance sections of Selective's website, www.selective.com, or through the SEC's EDGAR Database at www.sec.gov (Selective EDGAR CIK No. 0000230557).

[1]Operating income differs from net income by the exclusion of realized gains or losses on investments and the results of discontinued operations. It is used as an important financial measure by management, analysts and investors, because the realization of investment gains and losses on sales in any given period is largely discretionary as to timing. In addition, these investment gains and losses, as well as other-than-temporary investment impairments that are charged to earnings and the results of discontinued operations, could distort the analysis of trends. Operating income is not intended as a substitute for net income prepared in accordance with U.S. generally accepted accounting principles (GAAP). A reconciliation of operating income to net income is provided in the GAAP Highlights and Reconciliation of Non-GAAP Measures to Comparable GAAP Measures. Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners Accounting Practices and Procedures Manual and, therefore, is not reconciled to GAAP.

Selective Insurance Group, Inc. (Nasdaq: SIGI) *
GAAP Highlights and Reconciliation of Non-GAAP Measures to Comparable GAAP Measures

(in thousands, except per share data)

3 months ended March 31:		**2011**	**2010**
Net premiums written	$	361,835	368,091
Net premiums earned		351,343	356,202
Net investment income earned		43,473	34,706
Net realized gains (losses)		5,760	(64)
Total revenues		403,456	393,112
Operating income		17,805	6,635
Net realized gains (losses), net of tax		3,744	(42)
Loss from discontinued operations, net of tax		-	(790)
Net income	$	21,549	5,803
Statutory combined ratio		102.6%	102.8%
Statutory combined ratio, excluding catastrophe losses		100.7%	96.0%
GAAP combined ratio		103.2%	104.1%
Operating income per diluted share	$	0.32	0.12
Net income per diluted share		0.39	0.11
Weighted average diluted shares		55,054	54,217
Book value per share	$	20.06	18.97

**All amounts included in this release exclude intercompany transactions.*

Selective Insurance Group, Inc.
Selected Balance Sheet Data (unaudited)
($ in thousands, except per share amounts)

	March 31, 2011			March 31, 2010			December 31, 2010		
	Balance Sheet	Market Value	Unrealized/ Unrecognized Gain/(Loss)	Balance Sheet	Market Value	Unrealized/ Unrecognized Gain/(Loss)	Balance Sheet	Market Value	Unrealized/ Unrecognized Gain/(Loss)
Invested Assets:									
Corporate bonds [1, 3]	$ 1,743,751	1,763,993	33,499	$ 1,214,670	1,241,554	6,040	$ 1,683,336	1,704,600	35,334
Government and municipal bonds [3]	1,846,872	1,865,194	71,228	2,116,682	2,129,245	71,224	1,873,730	1,894,436	77,913
Total bonds	3,590,623	3,629,187	104,727	3,331,352	3,370,799	77,264	3,557,066	3,599,036	113,247
Equities	77,138	77,138	9,034	82,240	82,240	16,644	69,636	69,636	11,597
Short-term investments	156,437	156,437	-	282,131	282,131	-	161,155	161,155	-
Other investments	136,148	136,148	(2,500)	148,060	148,060	(24,032)	137,865	137,865	(4,982)
Total invested assets	3,960,346	3,998,910	111,261	3,843,783	3,883,230	69,876	3,925,722	3,967,692	119,862
Invested assets per $ of stockholders' equity	3.65			3.81			3.67		
Total assets	5,275,226			5,288,321			5,231,772		
Liabilities:									
Reserve for losses and loss expenses	2,864,889			2,812,231			2,830,058		
Unearned premium reserve	833,823			857,349			823,596		
Total liabilities	4,191,573			4,278,159			4,160,663		
Stockholders' equity	1,083,653			1,010,162			1,071,109		
Total debt to capitalization ratio	19.5%			21.4%			19.7%		
Adjusted total debt to capitalization ratio [2]	13.9%			15.5%			14.0%		
Book value per share	20.06			18.97			19.95		
Book value per share excluding unrealized gain or loss on bond portfolio	19.26			18.51			19.09		
NPW per insurance segment employee	760			777			761		
Statutory premiums to surplus ratio	1.3x			1.4x			1.3x		
Statutory surplus	1,083,848			993,981			1,073,025		

[1] Includes mortgage-backed and asset-backed securities.
[2] The adjusted debt to capitalization ratio reflects an estimated equity treatment of 75% applied to our $100 million Junior Subordinated Notes issued September 25, 2006.
[3] Certain prior year amounts were reclassified to conform with current year presentation.

Selective Insurance Group, Inc.
Selected Income Statement Data (unaudited)
March 2011
($ in thousands, except per share amounts)

		Three Months Ended March 31,			
		2011		2010	
			Per diluted share		Per diluted share
Consolidated					
Revenue		$ 403,456		$ 393,112	
Operating income		17,805	0.32	6,635	0.12
Net realized gains (losses), after tax		3,744	0.07	(42)	-
Income from continuing operations		21,549	0.39	6,593	0.12
Loss on discontinued operations, after tax		-	-	(790)	(0.01)
Net income		21,549	0.39	5,803	0.11
Operating return on equity		**6.6%**		**2.6%**	
Insurance Operations					
Gross premiums written		428,995		433,078	
Net premiums written		361,835		368,091	
Net premiums earned		351,343		356,202	
Underwriting loss	- before tax	(11,084)		(14,605)	
	- after tax	(7,205)	(0.13)	(9,493)	(0.18)
GAAP combined ratio		**103.2%**		**104.1%**	
Commercial lines					
Net premiums earned		286,763		297,908	
GAAP combined ratio		**101.7%**		**103.7%**	
Personal lines					
Net premiums earned		64,580		58,294	
GAAP combined ratio		**109.7%**		**106.2%**	
Investments					
Net investment income	- before tax	43,473		34,706	
	- after tax	32,125	0.58	26,825	0.49
Effective tax rate		26.1%		22.7%	
Annual after-tax yield on investment portfolio		**3.3%**		**2.8%**	
Annual after-tax, after-interest expense yield		**3.0%**		**2.3%**	
Invested assets per $ of stockholders' equity		**3.65**		**3.81**	
Other expenses (net of other income)					
Interest expense	- before tax	(4,557)		(4,842)	
	- after tax	(2,962)	(0.05)	(3,147)	(0.06)
Other - after tax		$ (4,153)	(0.08)	$ (7,550)	(0.13)
Diluted weighted avg. shares outstanding		55,054		54,217	

Selective Insurance Group, Inc. and Consolidated Subsidiaries

GAAP Investment Income

(unaudited)

($ in thousands)

	Year to Date March 2011	Year to Date March 2010	% Increase (Decrease)
Investment Income:			
Interest:			
Fixed Maturity Securities	33,123	33,196	(0)
Short-term	62	100	(38)
Alternative Investments	11,641	3,895	199
Dividends	317	452	(30)
Miscellaneous	25	37	(32)
	45,168	37,680	20
Investment Expense	1,695	2,974	(43)
Net Investment Income Before Tax	43,473	34,706	25
Tax	11,348	7,881	44
Net Investment Income After Tax	**$ 32,125**	**26,825**	**20**
Net Investment Income per Share	**$ 0.58**	**0.49**	**18**
Effective Tax Rate	26.1%	22.7%	
Average Yields :			
Fixed Maturity Securities:			
Pre Tax	3.57%	3.66%	
After Tax	2.75%	2.88%	
Portfolio:			
Pre Tax	4.41%	3.64%	
After Tax	3.26%	2.81%	

Net Realized Gains (Losses)	Year to date: March 2011	Year to date: March 2010
Fixed Maturities	(443)	(4,011)
Equity Securities	6,203	3,947
Total	5,760	(64)
Net of Tax	3,744	(42)

Selective Insurance Group, Inc.
2011 Statutory Results by Line of Business
March 2011 YTD (unaudited)
($ in thousands)

	Net Premiums Written	Percent Change	Net Premiums Earned	Percent Change	Loss Ratio	LAE Ratio	Underwriting Expense Ratio	Dividends to Policyholders Ratio	Combined Ratio 2011	Combined Ratio 2010	Underwriting Gain/(Loss)
Personal Lines:											
Homeowners	$ 22,195	21.4%	$ 24,555	19.8%	69.7%	7.9%	34.4%	0.0%	112.0%	114.8%	$ (2,139)
Auto	36,396	3.0%	36,962	7.7%	75.9%	11.3%	31.6%	0.0%	118.8%	115.5%	(6,786)
Other (including flood)	2,910	13.7%	3,064	(12.0)%	75.4%	(15.8)%	(40.1)%	0.0%	19.5%	(38.3)%	2,405
Total	**$ 61,501**	**9.5%**	**$ 64,580**	**10.8%**	**73.5%**	**8.7%**	**29.3%**	**0.0%**	**111.5%**	**107.1%**	**$ (6,520)**
Commercial Lines:											
Commerical property	$ 48,331	(3.6)%	$ 48,193	(4.3)%	44.0%	5.5%	37.2%	0.1%	86.8%	108.4%	$ 6,307
Workers compensation	67,768	(6.1)%	62,526	(3.3)%	80.7%	16.0%	24.2%	1.9%	122.8%	116.7%	(15,545)
General liability	88,772	(0.9)%	82,566	(3.1)%	50.1%	17.6%	32.6%	0.0%	100.3%	92.8%	(2,276)
Auto	71,729	(5.0)%	69,670	(6.3)%	56.5%	5.4%	30.3%	0.1%	92.3%	90.9%	4,774
Business owners policies	16,468	(3.9)%	16,485	1.2%	60.0%	13.6%	38.4%	0.0%	112.0%	134.0%	(1,971)
Bonds	4,521	(3.7)%	4,767	3.6%	6.6%	5.6%	61.0%	0.0%	73.2%	92.5%	1,427
Other	2,745	0.7%	2,556	2.0%	4.5%	0.2%	42.4%	0.0%	47.1%	47.6%	1,271
Total	**$ 300,334**	**(3.7)%**	**$ 286,763**	**(3.7)%**	**56.7%**	**11.7%**	**31.8%**	**0.4%**	**100.6%**	**101.9%**	**$ (6,013)**
Grand Total	**$ 361,835**	**(1.7)%**	**$ 351,343**	**(1.4)%**	**59.8%**	**11.1%**	**31.3%**	**0.4%**	**102.6%**	**102.8%**	**$ (12,533)**

Note: Some amounts may not foot due to rounding.

	2011	2010
Losses Paid	$ 188,841	$ 182,223
LAE Paid	38,014	36,094
Total Paid	$ 226,855	$ 218,317

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Year on Year Retention
as of March 31, 2011 (unaudited)

Year on Year Retention

	2008					2009					2010					2011
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Commercial Lines	81.0%	80.4%	80.6%	80.2%	80.6%	80.5%	79.0%	78.8%	78.7%	79.3%	79.3%	78.9%	79.6%	79.2%	79.2%	80.3%
Personal Lines	82.7%	82.5%	83.0%	82.4%	82.7%	81.2%	82.1%	83.4%	84.2%	82.7%	84.3%	84.9%	84.8%	85.4%	84.8%	85.5%
Total	**81.6%**	**81.2%**	**81.6%**	**81.1%**	**81.4%**	**80.7%**	**80.1%**	**80.6%**	**80.8%**	**80.6%**	**81.1%**	**81.1%**	**81.8%**	**81.8%**	**81.4%**	**82.2%**

SELECTIVE INSURANCE GROUP, INC. CONSOLIDATED BALANCE SHEETS ($ in thousands, except share amounts)		Unaudited March 31, 2011	December 31, 2010
ASSETS			
Investments:			
Fixed maturity securities, held-to-maturity – at carrying value (fair value: $1,192,423 – 2011; $1,256,294 – 2010)	$	**1,153,859**	1,214,324
Fixed maturity securities, available-for-sale – at fair value (amortized cost: $2,382,976 – 2011; $2,285,988 – 2010)		**2,436,764**	2,342,742
Equity securities, available-for-sale – at fair value (cost of: $68,104 – 2011; $58,039 – 2010)		**77,138**	69,636
Short-term investments (at cost which approximates fair value)		**156,437**	161,155
Other investments		**136,148**	137,865
Total investments		**3,960,346**	3,925,722
Cash		**496**	645
Interest and dividends due or accrued		**36,651**	37,007
Premiums receivable, net of allowance for uncollectible accounts of: $4,608 – 2011; $4,691 – 2010		**430,063**	414,105
Reinsurance recoverables, net		**331,387**	318,752
Prepaid reinsurance premiums		**110,061**	110,327
Current federal income tax		**6,919**	11,200
Deferred federal income tax		**93,574**	93,234
Property and equipment – at cost, net of accumulated depreciation and amortization of: $153,961 – 2011; $151,704 – 2010		**40,780**	41,775
Deferred policy acquisition costs		**210,245**	209,627
Goodwill		**7,849**	7,849
Other assets		**46,855**	61,529
Total assets	$	**5,275,226**	5,231,772
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Reserve for losses and loss expenses	$	**2,864,889**	2,830,058
Unearned premiums		**833,823**	823,596
Notes payable		**262,339**	262,333
Accrued salaries and benefits		**95,957**	100,933
Other liabilities		**134,565**	143,743
Total liabilities	$	**4,191,573**	4,160,663
Stockholders' Equity:			
Preferred stock of $0 par value per share: Authorized shares 5,000,000; no shares issued or outstanding	$	**-**	-
Common stock of $2 par value per share Authorized shares 360,000,000 Issued: 96,838,773 – 2011; 96,362,667 – 2010		**193,678**	192,725
Additional paid-in capital		**248,575**	244,613
Retained earnings		**1,190,528**	1,176,155
Accumulated other comprehensive income		**2,776**	7,024
Treasury stock – at cost (shares: 42,821,299 – 2011; 42,686,204 – 2010)		**(551,904)**	(549,408)
Total stockholders' equity		**1,083,653**	1,071,109
Commitments and contingencies			
Total liabilities and stockholders' equity	$	**5,275,226**	5,231,772

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

($ in thousands, except per share amounts)		Quarter ended March 31, 2011	2010
Revenues:			
Net premiums earned	$	**351,343**	356,202
Net investment income earned		**43,473**	34,706
Net realized gains (losses):			
Net realized investment gains		**6,390**	8,176
Other-than-temporary impairments		**(532)**	(6,073)
Other-than-temporary impairments on fixed maturity securities recognized in other comprehensive income		**(98)**	(2,167)
Total net realized gains (losses)		**5,760**	(64)
Other income		**2,880**	2,268
Total revenues		**403,456**	393,112
Expenses:			
Losses and loss expenses incurred		**249,206**	254,143
Policy acquisition costs		**113,430**	116,002
Interest expense		**4,557**	4,842
Other expenses		**8,491**	10,478
Total expenses		**375,684**	385,465
Income from continuing operations, before federal income tax		**27,772**	7,647
Federal income tax expense (benefit):			
Current		**4,276**	8,844
Deferred		**1,947**	(7,790)
Total federal income tax expense		**6,223**	1,054
Net income from continuing operations		**21,549**	6,593
Loss on disposal of discontinued operations, net of tax of $(426) – 2010		**-**	(790)
Net income	$	**21,549**	5,803
Earnings per share:			
Basic net income from continuing operations	$	**0.40**	0.12
Basic net loss from disposal of discontinued operations		**-**	(0.01)
Basic net income	$	**0.40**	0.11
Diluted net income from continuing operations	$	**0.39**	0.12
Diluted net loss from disposal of discontinued operations		**-**	(0.01)
Diluted net income	$	**0.39**	0.11
Dividends to stockholders	$	**0.13**	0.13

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

($ in thousands, except per share amounts)	Quarter ended March 31, 2011		2010	
Common stock:				
Beginning of year	$ 192,725		191,646	
Dividend reinvestment plan (shares: 22,697 – 2011; 25,759 – 2010)	46		51	
Stock purchase and compensation plans (shares: 453,409 – 2011; 79,289 – 2010)	907		159	
End of period	193,678		191,856	
Additional paid-in capital:				
Beginning of year	244,613		231,933	
Dividend reinvestment plan	360		368	
Stock purchase and compensation plans	3,602		3,309	
End of period	248,575		235,610	
Retained earnings:				
Beginning of year	1,176,155		1,138,978	
Net income	21,549	21,549	5,803	5,803
Dividends to stockholders ($0.13 per share – 2011 and 2010)	(7,176)		(7,077)	
End of period	1,190,528		1,137,704	
Accumulated other comprehensive income (loss):				
Beginning of year	7,024		(12,460)	
Other comprehensive income (loss), increase (decrease) in:				
Unrealized (losses) gains on investment securities:				
Non-credit portion of other-than-temporary impairment losses recognized in other comprehensive income, net of deferred income tax	117		1,478	
Other net unrealized (losses) gains on investment securities, net of deferred income tax	(5,107)		4,583	
Total unrealized (losses) gains on investment securities	(4,990)	(4,990)	6,061	6,061
Defined benefit pension plans, net of deferred income tax	742	742	626	626
End of period	2,776		(5,773)	
Comprehensive income		17,301		12,490
Treasury stock:				
Beginning of year	(549,408)		(547,722)	
Acquisition of treasury stock (shares: 135,095 – 2011; 97,493 – 2010)	(2,496)		(1,513)	
End of period	(551,904)		(549,235)	
Total stockholders' equity	$ 1,083,653		1,010,162	

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW

($ in thousands)	Quarter ended March 31, 2011	2010
Operating Activities		
Net income	$ **21,549**	5,803
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**8,001**	7,451
Loss on disposal of discontinued operations	**-**	790
Stock-based compensation expense	**4,625**	6,169
Undistributed income of equity method investments	**(2,482)**	(3,895)
Net realized (gains) losses	**(5,760)**	64
Deferred income tax expense (benefit)	**1,947**	(7,790)
Changes in assets and liabilities:		
Increase in reserves for losses and loss expenses, net of reinsurance recoverables	**22,196**	34,518
Increase in unearned premiums, net of prepaid reinsurance and advance premiums	**11,297**	11,647
Decrease in net federal income tax recoverable	**4,281**	7,698
Increase in premiums receivable	**(15,958)**	(10,543)
(Increase) decrease in deferred policy acquisition costs	**(618)**	1,024
Decrease (increase) in interest and dividends due or accrued	**355**	(730)
Decrease in accrued salaries and benefits	**(6,466)**	(7,100)
Decrease in accrued insurance expenses	**(17,082)**	(17,187)
Other-net	**2,105**	5,176
Net adjustments	**6,441**	27,292
Net cash provided by operating activities	**27,990**	33,095
Investing Activities		
Purchase of fixed maturity securities, available-for-sale	**(114,320)**	(142,067)
Purchase of equity securities, available-for-sale	**(59,780)**	(23,915)
Purchase of other investments	**(5,008)**	(7,714)
Purchase of short-term investments	**(316,769)**	(303,668)
Sale of subsidiary	**415**	844
Sale of fixed maturity securities, available-for-sale	**14,907**	39,632
Sale of short-term investments	**321,487**	235,386
Redemption and maturities of fixed maturity securities, held-to-maturity	**38,483**	80,963
Redemption and maturities of fixed maturity securities, available-for-sale	**19,771**	66,122
Sale of equity securities, available-for-sale	**56,836**	16,419
Distributions from other investments	**9,122**	-
Sale of other investments	**16,357**	13,337
Purchase of property and equipment	**(1,366)**	(866)
Net cash used in investing activities	**(19,865)**	(25,527)
Financing Activities		
Dividends to stockholders	**(6,605)**	(6,492)
Acquisition of treasury stock	**(2,496)**	(1,513)
Net proceeds from stock purchase and compensation plans	**1,008**	625
Excess tax benefits from share-based payment arrangements	**(181)**	(856)
Net cash used in financing activities	**(8,274)**	(8,236)
Net decrease in cash	**(149)**	(668)
Cash, beginning of year	**645**	811
Cash, end of period	$ **496**	143

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Unaudited Statutory Balance Sheets
($ in thousands)

		Mar-31 2011	Dec-31 2010
ASSETS			
Bonds	$	3,510,801	3,482,204
Common stocks		77,138	69,636
Affiliated mortgage loan		38,625	38,785
Other investments		169,325	174,067
Short-term investments		117,145	111,021
Total investments		**3,913,034**	**3,875,713**
Cash on hand and in banks		(30,395)	(30,343)
Interest and dividends due and accrued		36,719	37,172
Premiums receivable		427,526	410,809
Reinsurance recoverable on paid losses and expenses		5,383	5,013
Deferred tax recoverable		132,040	133,100
EDP equipment		1,247	1,409
Equities and deposits in pools and associations		6,988	6,681
Receivable for sold securities		112	16,738
Other assets		30,357	30,164
Total assets	**$**	**4,523,011**	**4,486,456**
LIABILITIES			
Reserve for losses	$	2,132,892	2,111,557
Reinsurance payable on paid loss and loss expense		1,093	1,030
Reserve for loss expenses		402,600	401,508
Unearned premiums		723,761	713,268
Reserve for commissions payable		31,000	43,590
Ceded balances payable		12,568	12,835
Federal income tax payable		10,743	1,645
Premium and other taxes payable		18,968	23,466
Borrowed money		13,018	13,018
Reserve for dividends to policyholders		2,686	2,390
Reserves for unauthorized reinsurance		1,811	1,811
Payable for securities		9,155	5,028
Funds withheld on account of others		5,743	7,015
Accrued salaries and benefits		57,442	61,353
Other liabilities		15,683	13,917
Total liabilities		**3,439,163**	**3,413,431**
POLICYHOLDERS' SURPLUS			
Capital		28,325	28,325
Aggregate write-ins for special surplus funds		37,353	40,521
Paid in surplus		255,792	255,792
Unassigned surplus		762,378	748,387
Total policyholders' surplus		1,083,848	1,073,025
Total liabilities and policyholders' surplus	**$**	**4,523,011**	**4,486,456**

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Unaudited Statutory Statements Of Income
($ in thousands)

UNDERWRITING	Three Months Ended March 2011		2010	
Net premiums written	$ 361,835		368,091	
Net premiums earned	351,343		356,202	
Net losses paid	188,841		182,223	
Change in reserve for losses	21,335		33,047	
Net losses incurred	210,176	59.8%	215,270	60.4%
Net loss expenses paid	38,014		36,094	
Change in reserve for loss expenses	1,092		2,583	
Net loss expenses incurred	39,106	11.1%	38,677	10.9%
Net underwriting expenses incurred	114,809	31.7%	115,151	31.3%
Total deductions	364,091		369,098	
Statutory underwriting loss	(12,748)		(12,896)	
Net loss from premium balances charged off	(1,358)		(1,521)	
Finance charges and other income	2,859		2,359	
Total other income	1,501	-0.4%	838	-0.2%
Policyholders' dividends incurred	(1,286)	0.4%	(1,495)	0.4%
Total underwriting loss	(12,533)	102.6%	(13,553)	102.8%
INVESTMENT				
Net investment income earned	41,258		33,201	
Net realized gain / (loss)	5,760		(48)	
Total income before income tax	34,485		19,600	
Federal income tax expense	9,270		11,498	
Net income	$ 25,215		8,102	
Policyholders' Surplus				
Surplus, beginning of period	$ 1,073,025		981,955	
Net income	25,215		8,102	
Change in deferred tax	447		8,183	
Change in unrealized gains	51		7,118	
Dividends to stockholders	(14,506)		(12,003)	
Change in non-admitted assets	2,784		13	
Change in additional admitted deferred tax	(3,168)		613	
Net change in surplus for period	10,823		12,026	
Surplus, end of period	$ 1,083,848		993,981	

	2011	2010
Statutory underwriting (loss) / gain :	$ (12,533)	(13,553)
Adjustments under GAAP:		
Deferred policy acquisition costs	618	(1,024)
Pension costs	903	396
Other, net	(72)	(424)
GAAP underwriting (loss) / gain:	$ (11,084)	(14,605)

Note: Some amounts or ratios may not foot due to rounding.
Certain amounts have been reclassified to conform to the current year's presentation.

Selective Insurance Group, Inc. and Consolidated Subsidiaries Alternative Investments (Insurance Cos Portfolio) as of March 31, 2011 (unaudited)									
Fund	**Inception Year**	**Original Commitment**	**Paid in Contributed Capital**	**Remaining Commitment**	**Total Distributions**	**Current Market Value**	**YTD Income**	**DPI[(1)] Ratio**	**TVPI[(2)] Ratio**
Real Estate									
LEH RE II	2005	20,000,000	17,456,594	2,543,406	7,594,167	11,626,062	868,652	0.44	1.10
LEH RE III	2008	15,000,000	6,837,113	8,162,887	58,228	3,334,120	(99,963)	0.01	0.50
Total - Real Estate		**35,000,000**	**24,293,707**	**10,706,293**	**7,652,395**	**14,960,182**	**768,689**	**0.31**	**0.93**
Mezzanine Financing									
LEH Euro Mezz	2004	9,000,000	9,000,000	-	12,355,149	1,797,123	(111,787)	1.37	1.57
GS Mezz V	2007	25,000,000	9,876,546	15,123,454	7,062,730	7,128,503	471,857	0.72	1.44
Total - Mezz. Financing		**34,000,000**	**18,876,546**	**15,123,454**	**19,417,879**	**8,925,626**	**360,070**	**1.03**	**1.50**
Distressed Debt									
Varde VIII	2006	10,000,000	10,000,000	-	807,224	11,137,288	428,507	0.08	1.19
GS Distressed Opp III	2007	15,000,000	11,450,751	3,549,249	1,567,873	9,960,181	544,828	0.14	1.01
Total - Distressed Debt		**25,000,000**	**21,450,751**	**3,549,249**	**2,375,097**	**21,097,469**	**973,335**	**0.11**	**1.09**
Private Equity									
Prospector	1997	5,000,000	5,000,000	-	13,965,078	441,602	30,158	2.79	2.88
Trilantic Capital Partners III	2004	10,000,000	8,877,838	1,122,162	10,652,582	5,465,246	1,555,568	1.20	1.82
NB Co-Invest	2006	15,000,000	12,598,769	2,401,231	6,443,969	8,989,711	562,430	0.51	1.23
Trilantic Capital Partners IV	2007	11,098,351	6,704,215	4,394,136	326,625	7,405,398	428,573	0.05	1.15
Total - Private Equity		**41,098,351**	**33,180,822**	**7,917,529**	**31,388,255**	**22,301,957**	**2,576,730**	**0.95**	**1.62**
Private Equity, Secondary Market									
NB SOF	2005	12,000,000	11,100,506	899,494	5,826,576	7,285,349	431,038	0.52	1.18
GS Vintage IV	2007	20,000,000	14,576,802	5,423,198	5,442,440	13,249,870	599,479	0.37	1.28
NB SOF II	2008	12,000,000	5,581,088	6,418,912	1,168,202	6,263,369	618,328	0.21	1.33
Total - Pvt. Eq. Sec. Mkt.		**44,000,000**	**31,258,396**	**12,741,604**	**12,437,218**	**26,798,588**	**1,648,844**	**0.40**	**1.26**
Energy/Power Generation									
ArcLight I	2002	15,000,000	13,344,495	1,655,505	29,480,487	-	827,571	2.21	2.21
ArcLight II	2003	15,000,000	12,704,508	2,295,492	21,878,138	3,741,954	1,075,287	1.72	2.02
ArcLight III	2006	15,000,000	12,962,206	2,037,794	6,383,865	12,644,147	975,575	0.49	1.47
Quintana Energy	2006	10,000,000	7,765,984	2,234,016	392,978	8,326,580	1,034,228	0.05	1.12
ArcLight IV	2007	10,000,000	7,595,767	2,404,233	4,150,461	7,596,835	642,144	0.55	1.55
Total - Energy/Power Generation		**65,000,000**	**54,372,960**	**10,627,040**	**62,285,929**	**32,309,516**	**4,554,805**	**1.15**	**1.74**
Venture Capital									
Venture V	2001	10,000,000	8,800,000	1,200,000	2,315,065	7,083,643	758,243	0.26	1.07
Total - Venture Capital		**10,000,000**	**8,800,000**	**1,200,000**	**2,315,065**	**7,083,643**	**758,243**	**0.26**	**1.07**
TOTAL - ALTERNATIVE INVESTMENTS		**$ 254,098,351**	**192,233,182**	**61,865,169**	**137,871,837**	**133,476,981**	**11,640,715**	**0.72**	**1.41**

(1) *Distributed to paid in ratio*

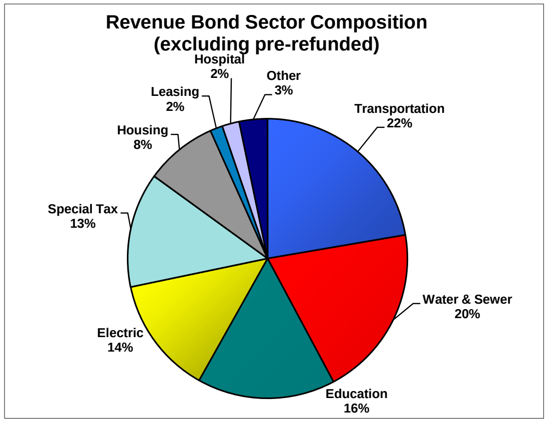
(2) *Total value to paid in ratio*

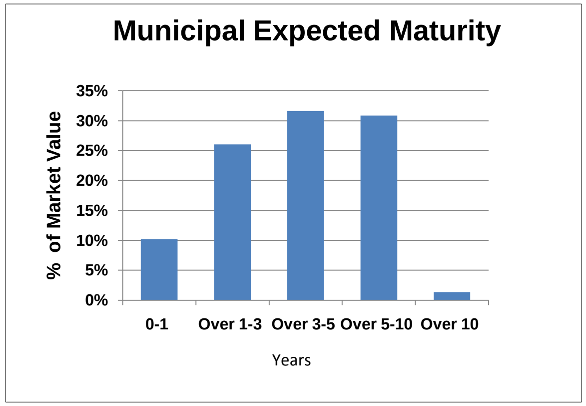
Note: Some amounts may not foot due to rounding

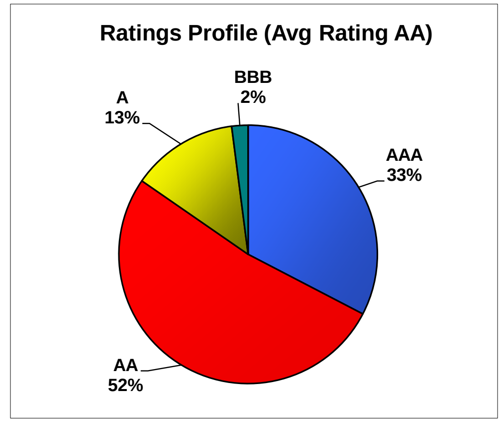
Selective Insurance Group, Inc. and Consolidated Subsidiaries
Municipal Bond Portfolio
State and Repayment Source Composition
March 31, 2011

($s in thousands)
(unaudited)

Exposure = 62% Held-to-Maturity; 38% Available-for-Sale







Repayment Source Composition by State %s
Market Values

State	Revenue	% of State	General Obligation (GO)-Local	% of State	General Obligation (GO)-State	% of State	TX - Permanent School Fund (PSF)	% of State	Total	% of Total
TX	71,026	**61%**	43,836	**38%**	1,036	**1%**	-	**0%**	115,898	**8%**
TX-PSF	-	**0%**	-	**0%**	-	**0%**	48,388	**100%**	48,388	**3%**
WA	45,158	**50%**	45,341	**50%**	-	**0%**	-	**0%**	90,499	**6%**
AZ	67,982	**91%**	6,693	**9%**	-	**0%**	-	**0%**	74,675	**5%**
FL	68,614	**99%**	-	**0%**	504	**1%**	-	**0%**	69,118	**5%**
NC	22,982	**34%**	22,844	**34%**	21,724	**32%**	-	**0%**	67,550	**5%**
NY	66,439	**100%**	-	**0%**	-	**0%**	-	**0%**	66,439	**5%**
OH	36,726	**63%**	13,644	**24%**	7,315	**13%**	-	**0%**	57,685	**4%**
IL	37,241	**65%**	19,653	**35%**	-	**0%**	-	**0%**	56,894	**4%**
MN	6,817	**13%**	5,211	**10%**	40,617	**77%**	-	**0%**	52,645	**4%**
CO	20,726	**41%**	27,896	**55%**	1,865	**4%**	-	**0%**	50,487	**4%**
Pre-refunded	49,596	**54%**	29,740	**32%**	12,408	**14%**	-	**0%**	91,744	**6%**
Other	378,853	**66%**	121,729	**21%**	75,830	**13%**	-	**0%**	576,412	**41%**
Grand Total	**872,160**	**62%**	**336,587**	**24%**	**161,299**	**11%**	**48,388**	**3%**	**1,418,434**	**100%**

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Credit Quality of Available-for-Sale Fixed Maturity Securities
March 31, 2011

($ in millions)
(unaudited)

	Fair Value	Unrealized Gain (Loss)	Average Credit Quality
AFS Fixed Maturity Portfolio:			
U.S. government obligations[1]	$ 323.2	6.9	AAA
Foreign government obligations	20.4	(0.1)	AA
State and municipal obligations	543.6	22.0	AA+
Corporate securities	1,040.6	17.9	A
Mortgage-backed securities ("MBS")	450.2	7.0	AA+
Asset-backed securities ("ABS")[2]	58.8	0.1	AA+
Total AFS fixed maturity portfolio	$ 2,436.8	53.8	AA
State and Municipal Obligations:			
Government obligations	$ 296.9	11.4	AA+
Special revenue obligations	246.7	10.6	AA
Total state and municipal obligations	$ 543.6	22.0	AA+
Corporate Securities:			
Financial	$ 320.9	5.5	A+
Industrials	78.0	3.3	A
Utilities	62.8	(0.1)	A-
Consumer discretion	83.6	0.6	A-
Consumer staples	115.3	1.7	A
Health care	140.1	3.2	AA-
Materials	48.7	0.5	BBB+
Energy	54.1	1.3	A
Information technology	64.4	0.2	A+
Telecommunications services	49.6	0.1	A-
Other	23.1	1.6	AA+
Total corporate securities	$ 1,040.6	17.9	A
Mortgage-backed securities:			
Government Guaranteed Agency CMBS	$ 69.7	2.4	AAA
Non-agency CMBS	33.0	(1.3)	A
Government Guaranteed Agency RMBS	89.5	3.0	AAA
Other Agency RMBS	211.3	3.2	AAA
Non-agency RMBS	37.8	(0.2)	BBB-
Alternative-A ("Alt-A") RMBS	8.9	(0.1)	AA+
Total MBS	$ 450.2	7.0	AA+
Asset-backed securities:			
ABS	$ 58.0	0.1	AAA
Sub-prime ABS[2,3]	0.8	-	D
Total ABS	$ 58.8	0.1	AA+

[1] U.S. Government includes coporate securities fully guaranteed by the FDIC.

[2] We define sub-prime exposure as exposure to direct and indirect investments in non-agency residential mortgages with average FICO® scores below 650.

[3] Sub-prime ABS consists of one security that is currently expected by rating agencies to default on its obligations.

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Credit Quality of Held-to-Maturity Securities
March 31, 2011

($ in millions)
(unaudited)

	Fair Value	Carry Value	Unrecognized Holding Gain (Loss)	Unrealized Gain (Loss) in Accumulated Other Comprehensive Income	Total Unrealized Unrecognized Gain (Loss)	Average Credit Quality
HTM Fixed Maturity Portfolio:						
U.S. government obligations[1]	$ 97.8	94.2	3.6	4.5	8.1	AAA
Foreign government obligations	5.4	5.7	(0.3)	0.4	0.1	AA+
State and municipal obligations	874.8	859.8	15.0	19.2	34.2	AA
Corporate securities	81.5	72.8	8.7	(3.7)	5.0	A
Mortgage-backed securities ("MBS")	122.0	111.8	10.2	(5.7)	4.5	AA+
Asset-backed securities ("ABS")	10.9	9.6	1.3	(2.3)	(1.0)	A
Total HTM fixed maturity portfolio	$ 1,192.4	1,153.9	38.5	12.4	50.9	AA
State and Municipal Obligations:						
Government obligations	$ 249.3	245.0	4.3	8.9	13.2	AA
Special revenue obligations	625.5	614.8	10.7	10.3	21.0	AA
Total state and municipal obligations	$ 874.8	859.8	15.0	19.2	34.2	AA
Corporate Securities:						
Financial	$ 23.6	20.3	3.3	(2.2)	1.1	A-
Industrials	22.5	19.3	3.2	(1.2)	2.0	A
Utilities	16.6	16.0	0.6	(0.1)	0.5	A
Consumer discretion	7.7	7.0	0.7	0.2	0.9	AA-
Consumer staples	5.3	5.0	0.3	(0.1)	0.2	A
Materials	2.2	1.9	0.3	(0.1)	0.2	BBB-
Energy	3.6	3.3	0.3	(0.2)	0.1	BBB-
Total corporate securities	$ 81.5	72.8	8.7	(3.7)	5.0	A
Mortgage-backed securities:						
Government guaranteed agency CMBS	$ 8.0	7.8	0.2	-	0.2	AAA
Other agency CMBS	-	-	-	-	-	-
Non-agency CMBS	40.2	32.6	7.6	(6.7)	0.9	AA
Government guaranteed agency RMBS	4.4	3.9	0.5	(0.1)	0.4	AAA
Other agency RMBS	69.3	67.4	1.9	1.1	3.0	AAA
Non-agency RMBS	0.1	0.1	-	-	-	BBB
Total MBS	$ 122.0	111.8	10.2	(5.7)	4.5	AA+
Asset-backed securities:						
ABS	$ 8.0	7.0	1.0	(0.8)	0.2	A-
Alt-A ABS	2.9	2.6	0.3	(1.5)	(1.2)	AA-
Total ABS	$ 10.9	9.6	1.3	(2.3)	(1.0)	A

[1] U.S. Government includes coporate securities fully guaranteed by the FDIC.