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NEWS RELEASE

FOR IMMEDIATE RELEASE

CONTACTS: Brian O'Larte
Senior Financial Analyst
(908) 439-2200, ext. 5138
brian.o'larte@ambest.com

Jennifer Marshall
Assistant Vice President,
(908) 439-2200, ext. 5327
jennifer.marshall@ambest.com

Christopher Sharkey
Manager, Public Relations
(908) 439-2200, ext. 5159
christopher.sharkey@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Affirms Ratings of Selective Insurance Group, Inc. and Its Subsidiaries

OLDWICK, N.J., May 28, 2015—A.M. Best has affirmed the financial strength rating (FSR) of A (Excellent) and the issuer credit ratings (ICR) of “a+” of **Selective Insurance Company of America** and its nine pooled affiliates, collectively referred to as Selective. In addition, A.M. Best has affirmed the ICR of “bbb+” and the debt ratings of Selective’s parent, **Selective Insurance Group, Inc. (SIGI)** [NASDAQ: SIGI]. The outlook for all ratings is stable. All companies are headquartered in Branchville, NJ. (Please see below for a detailed listing of companies and ratings.)

The ratings reflect Selective’s excellent level of risk-adjusted capitalization, its established position in its targeted regional markets, which is reinforced by its strong independent agency relationships, and consistently profitable operating performance. Those operating results are derived from Selective’s underwriting discipline, reflected in the group’s underwriting results that have generally outperformed the commercial casualty composite average in recent years. The group’s consistently stable loss-reserve position enhances its balance sheet and risk-adjusted capital position, and operating results have benefited from recognition of favorable development of loss reserves in nine straight calendar years. The ratings also consider Selective’s position as a top 50 U.S. property/casualty enterprise (based on net written premiums), its experienced management team and the financial flexibility afforded by SIGI.

Offsetting these positive rating factors are Selective’s net investment ratio and investment yields that

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—2—

generally trail the composite averages, and which over the past five years have resulted in operating results that are generally not in line with those of the broad peer group or similarly rated enterprises; and elevated levels of underwriting leverage.

SIGI's debt-to-total capital (excluding accumulated other comprehensive income) of 23.0% and adjusted debt-to-tangible capital of 23.1% at March 31, 2015, were within A.M. Best's guidelines for the company's ratings. In addition, SIGI's interest coverage ratio remains adequate for its ratings.

Positive rating movement may result if Selective outperforms its peers for an extended period of time. Negative rating pressure could result if operating performance falls markedly short of A.M. Best's expectations or if there is a significant deterioration in the organization's risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR).

The FSR of A (Excellent) and the ICRs of "a+" have been affirmed for **Selective Insurance Company of America** and its following affiliates:

- **Selective Way Insurance Company**
- **Selective Insurance Company of the Southeast**
- **Selective Insurance Company of New York**
- **Selective Insurance Company of South Carolina**
- **Selective Insurance Company of New England**
- **Selective Auto Insurance Company of New Jersey**
- **Mesa Underwriters Specialty Insurance Company**
- **Selective Casualty Insurance Company**
- **Selective Fire & Casualty Insurance Company**

The following debt ratings have been affirmed:

Selective Insurance Group, Inc.—

- "bbb+" on \$49.9 million 7.25% senior unsecured notes, due 2034
- "bbb+" on \$99.5 million 6.70% senior unsecured notes, due 2035
- "bbb+" on \$185 million 5.875% senior unsecured notes, due 2043

The following indicative ratings on the shelf registration have been affirmed:

—MORE—

—3—

Selective Insurance Group, Inc.—

- “bbb+” on senior unsecured debt
- “bbb” on subordinated debt
- “bbb-” on preferred stock

The methodology used in determining these ratings is Best’s Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best’s rating process and contains the different rating criteria employed in the rating process. Best’s Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

Key insurance criteria reports utilized:

- Analyzing Insurance Holding Company Liquidity
- Catastrophe Analysis in A.M. Best Ratings
- Equity Credit for Hybrid Securities
- Insurance Holding Company and Debt Ratings
- Rating Members of Insurance Groups
- Risk Management and the Rating Process for Insurance Companies
- The Treatment of Terrorism Risk in the Rating Evaluation
- Understanding BCAR for Property/Casualty Insurers
- Understanding Universal BCAR

This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please visit A.M. Best’s [Ratings & Criteria Center](#).

A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.