



# PRESS RELEASE

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## FOR IMMEDIATE RELEASE

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

**OLDWICK, N.J., August 16, 2016**—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 issue ratings of Selective’s parent, **Selective Insurance Group, Inc. (SIGI)** [NASDAQ: SIGI]. The outlook for each rating 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 recognized position in its targeted regional markets, which is reinforced by its strong independent agency relationships, and consistently profitable operating performance. The group maintains consistently stable loss reserves that enhance its balance sheet strength, and operating results have benefited from recognition of favorable development of loss reserves. 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 investment yields that 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 gross and net underwriting leverage.

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SIGI's debt-to-total capital (excluding accumulated other comprehensive income) of 19.8% and adjusted debt-to-tangible capital of 19.9% at June 30, 2016, were within A.M. Best's guidelines for the company's ratings. In addition, SIGI's interest coverage ratio remains adequate for its ratings.

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 issue ratings have been affirmed:

**Selective Insurance Group, Inc.—**

- "bbb+" on \$49,900,000 7.25% senior unsecured notes, due 2034
- "bbb+" on \$99,422,000 6.70% senior unsecured notes, due 2035
- "bbb+" on \$185 million 5.875% senior unsecured notes, due 2043

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

**Selective Insurance Group, Inc.—**

- "bbb+" on senior unsecured debt
- "bbb" on subordinated debt
- "bbb-" on preferred stock

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 see A.M. Best's [Recent Rating Activity](#) web page.

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