



Supplemental Investor Package

Third Quarter 2016

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Selective Insurance Group, Inc. & Consolidated Subsidiaries
Third Quarter 2016 Investor Package
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Selective Reports Third Quarter 2016 Net Income per Diluted Share of \$0.66 and Operating Income¹ per Diluted Share of \$0.62 Increases Quarterly Shareholder Dividend 7%

In the third quarter of 2016:

- Net premiums written grew 6%
- GAAP combined ratio was 94.1%
- Statutory combined ratio was 92.9%
- After-tax net investment income was \$25 million
- Total return on equity was 9.8% and operating return on equity¹ was 9.2%

Branchville, NJ – October 26, 2016 – Selective Insurance Group, Inc. (NASDAQ: SIGI) today reported its financial results for the third quarter ended September 30, 2016. Net income per diluted share was \$0.66, compared to \$0.81 a year ago, and operating income¹ per diluted share declined 23% to \$0.62, compared to \$0.81 a year ago.

“In the third quarter, we reported a 92.9% statutory combined ratio, or 91.0% excluding catastrophe losses,” said Gregory E. Murphy, Chairman and Chief Executive Officer. “Growth in the quarter remains solid with a 6% increase in overall net premiums written driven by steady retention, new business, and a 2.8% renewal pure price increase in our standard lines. As the market turns more competitive, we will remain focused on generating profitable growth. Our industry-leading relationships with our ivy league agent partners, and sophisticated technology and underwriting capabilities position us to continue to generate strong results. We remain committed to investing in our best in class employee base that supports our strategic focus on a superior customer experience.”

Murphy continued, “Balancing our growth and profitability objectives is a key strategic priority for Selective. Our core standard commercial and personal lines results remain extremely strong. The targeted underwriting initiatives we have been implementing in our excess and surplus lines should position this segment for improved results in the coming years. We reported our best statutory underwriting margins in 2015, and for the first nine months our results have been 110 basis points better than the same period a year ago. Reflecting our strong results, we have increased the dividend on our common stock by 7%. As we look to 2017 and beyond, I am confident that we have the right people and tools in place to allow us to continue to generate superior results.”

Consolidated Financial Results <i>\$ in millions, except per share data</i>	<i>Quarter Ended September 30,</i>		Change	<i>Year-to-date September 30,</i>		Change
	2016	2015		2016	2015	
Net premiums written	\$578.8	\$545.0	6%	\$1,722.3	\$1,595.2	8%
Net premiums earned	\$542.4	\$507.4	7%	\$1,596.8	\$1,473.8	8%
Net investment income earned	\$33.4	\$32.1	4%	\$95.3	\$91.2	5%
Net realized gains, pre-tax	\$3.7	\$0.3	1097%	\$2.7	\$15.8	(83)%
Total revenues	\$581.7	\$540.5	8%	\$1,701.9	\$1,586.3	7%
Operating income ¹	\$36.1	\$46.8	(23)%	\$117.3	\$110.2	6%
Net realized gains, net of tax	\$2.4	\$0.2	1099%	\$1.8	\$10.3	(83)%
Net income	\$38.5	\$47.0	(18)%	\$119.1	\$120.5	(1)%
Statutory combined ratio	92.9%	90.5%	2.4 pts	91.2%	92.3%	(1.1) pts
Catastrophe losses	1.9 pts	1.3 pts	0.6 pts	2.1 pts	3.8 pts	(1.7) pts
Non-catastrophe property losses	14.5 pts	12.9 pts	1.6 pts	13.1 pts	14.0 pts	(0.9) pts
(Favorable) prior year statutory reserve development on casualty lines	(3.5) pts	(3.0) pts	(0.5) pts	(2.9) pts	(3.7) pts	0.8 pts
GAAP combined ratio	94.1%	91.2%	2.9 pts	92.7%	93.2%	(0.5) pts
Operating income per diluted share ¹	\$0.62	\$0.81	(23)%	\$2.00	\$1.90	5%
Net income per diluted share	\$0.66	\$0.81	(19)%	\$2.03	\$2.08	(2)%
Weighted average diluted shares	58.7M	58.0M	1%	58.6M	57.8M	1%
Book value per share				\$27.22	\$23.77	15%

¹Operating income differs from net income by the exclusion of realized gains and losses on investments. 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 Consolidated Financial Results table. 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.
Note: All amounts included in this release exclude intercompany transactions.

Operating Highlights

Standard Commercial Lines

Standard Commercial Lines premiums were up 9% in the third quarter, reflecting renewal pure price increases of 2.5%, steady retention of 84%, and a 6% increase in new business, to \$89 million. The quarter's statutory combined ratio deteriorated by 3.6 points, to 92.0%, due to catastrophe and non-catastrophe property losses that were higher compared to the prior year period by 1.3 points and 2.5 points, respectively.

Standard Commercial Lines \$ in millions, statutory results	Quarter Ended September 30,		Change	Year-to-date September 30,		Change
	2016	2015		2016	2015	
Net premiums written	\$449.5	\$414.0	9%	\$1,353.6	\$1,240.1	9%
Net premiums earned	\$421.6	\$389.5	8%	\$1,235.8	\$1,132.3	9%
Statutory loss & loss expense ratio	56.5%	52.2%	4.3 pts	55.2%	54.7%	0.5 pts
Statutory underwriting expense ratio	35.4%	35.7%	(0.3) pts	34.6%	34.2%	0.4 pts
Statutory dividends to policyholders ratio	0.1%	0.5%	(0.4) pts	0.3%	0.5%	(0.2) pts
Statutory combined ratio	92.0%	88.4%	3.6 pts	90.1%	89.4%	0.7 pts
GAAP combined ratio	92.9%	88.7%	4.2 pts	91.8%	90.3%	1.5 pts

Standard Personal Lines

Standard Personal Lines premiums were down slightly compared to the third quarter of 2015, retention remained consistent at 83%, and renewal pure price was 4.7%.

The statutory combined ratio in the third quarter for Standard Personal Lines was 92.0%, a 3.0 point improvement from the same period last year. The profitable combined ratio in the current quarter benefited from catastrophe losses that were 4.4 points lower than the prior year period.

Standard Personal Lines \$ in millions, statutory results	Quarter Ended September 30,		Change	Year-to-date September 30,		Change
	2016	2015		2016	2015	
Net premiums written	\$76.2	\$76.9	(1)%	\$213.8	\$217.9	(2)%
Net premiums earned	\$68.7	\$72.1	(5)%	\$209.7	\$216.6	(3)%
Statutory loss & loss expense ratio	60.7%	68.7%	(8.0) pts	58.9%	72.4%	(13.5) pts
Statutory underwriting expense ratio	31.3%	26.3%	5.0 pts	31.8%	29.3%	2.5 pts
Statutory combined ratio	92.0%	95.0%	(3.0) pts	90.7%	101.7%	(11.0) pts
GAAP combined ratio	93.8%	96.1%	(2.3) pts	90.9%	102.0%	(11.1) pts

Excess and Surplus Lines

Excess and Surplus Lines net premiums written decreased by 2% in the quarter, with a 5.8% overall pure price increase for the segment. The statutory combined ratio in the third quarter was 101.4%, which was 0.3 points higher than last year. The combined ratio in the quarter included catastrophe and non-catastrophe property losses that were 4.1 points higher, in the aggregate, and a 3.7 point increase in current year loss costs. Offsetting these items was unfavorable prior year casualty reserve development of 8.6 points in the third quarter of 2015, compared to no prior year casualty reserve development in third quarter 2016. Continual efforts to improve margins include shifting our mix of business, claims improvements, and more aggressive price increases on challenged segments.

Excess and Surplus Lines <i>\$ in millions, statutory results</i>	<i>Quarter Ended September 30,</i>		Change	<i>Year-to-date September 30,</i>		Change
	2016	2015		2016	2015	
Net premiums written	\$53.0	\$54.1	(2)%	\$154.9	\$137.2	13%
Net premiums earned	\$52.2	\$45.8	14%	\$151.3	\$124.9	21%
Statutory loss & loss expense ratio	70.0%	69.9%	0.1 pts	69.5%	68.3%	1.2 pts
Statutory underwriting expense ratio	31.4%	31.2%	0.2 pts	31.4%	33.5%	(2.1) pts
Statutory combined ratio	101.4%	101.1%	0.3 pts	100.9%	101.8%	(0.9) pts
GAAP combined ratio	104.5%	104.4%	0.1 pts	102.3%	104.0%	(1.7) pts

Investment Income

After-tax investment income in the third quarter was \$25 million, up 1% compared to a year ago. Pre-tax income increased 6% on our fixed income securities, which represent 92% of our portfolio, as a higher asset base and modestly increased allocation to high yield securities more than offset lower rates.

Investments <i>\$ in millions, except per share data</i>	<i>Quarter Ended September 30,</i>		Change	<i>Year-to-date September 30,</i>		Change
	2016	2015		2016	2015	
Invested assets per dollar of stockholders' equity				\$3.41	\$3.69	(8)%
Net investment income earned, after-tax	\$24.9	\$24.6	1%	\$72.0	\$70.5	2%
Net investment income per share	\$0.42	\$0.42	-	\$1.23	\$1.22	1%
Effective tax rate	25.4%	23.4%	2.0 pts	24.5%	22.7%	1.8 pts
Average yields:						
Fixed Income Securities:						
Pre-tax				2.7%	2.7%	-
After-tax				2.0%	2.1%	(0.1) pts
Portfolio:						
Pre-tax				2.4%	2.5%	(0.1) pts
After-tax				1.8%	1.9%	(0.1) pts

Balance Sheet

Balance Sheet <i>\$ in millions, except per share data</i>	<i>September 30,</i>	<i>December 31,</i>	Change
	2016	2015	
Total assets	\$7,363.2	\$6,904.4	7%
Total Investments	\$5,368.4	\$5,089.3	5%
Debt	\$423.6	\$388.2	9%
Statutory surplus	\$1,551.2	\$1,426.3	9%
Stockholders' equity	\$1,574.9	\$1,398.0	13%
Book value per share	\$27.22	\$24.37	12%

The increase in book value per share reflects year-to-date net income of \$2.03 and a \$1.19 increase in unrealized investment gains, partially offset by \$0.45 in stockholders' dividends.

Selective's Board of Directors declared a 7% increase to the quarterly cash dividend on common stock to \$0.16 per share, that is payable December 1, 2016, to stockholders of record as of November 15, 2016.

Guidance

In the first nine months of 2016, our statutory combined ratio was 91.2%, which included 2.1 points of catastrophe losses and 2.9 points of favorable prior year casualty reserve development. Based on these results, we provide the following expectations for full-year 2016:

- A statutory combined ratio excluding catastrophes of approximately 89.5%. This assumes no fourth quarter prior year casualty reserve development;
- Catastrophe losses of 3.0 points, down from our previous guidance of 3.5 points;
- After-tax investment income of approximately \$95 million; and
- Weighted average shares of approximately 58.5 million.

Included in the catastrophe loss guidance is our estimate for Hurricane Matthew, which impacted the Southern United States in October 2016, of a range of \$10 - \$14 million.

On October 25, 2016, S&P Global Ratings ("S&P") upgraded our financial strength rating to "A" from "A-" with a stable outlook. This rating reflects S&P's view of our strong business risk profile and strong financial risk profile, built on our strong competitive position and very strong capital and earnings. In addition, our stable outlook reflects S&P's expectation that we will sustain our strong competitive position and operating performance.

The supplemental investor package, including financial information that is not part of this press release, is available on the Investors page of Selective's website at www.Selective.com. Selective's quarterly analyst conference call will be simulcast at 8:30 a.m. ET, on Thursday, October 27, 2016 at www.Selective.com. The webcast will be available for rebroadcast until the close of business on November 28, 2016.

About Selective Insurance Group, Inc.

Selective Insurance Group, Inc. is a holding company for ten property and casualty insurance companies rated "A" (Excellent) by A.M. Best. Through independent agents, the insurance companies offer standard and specialty 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;
- 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 page of Selective's website, www.Selective.com, or through the SEC's EDGAR Database at www.sec.gov (Selective EDGAR CIK No. 0000230557).

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Selective Insurance Group, Inc. & Consolidated Subsidiaries
Selected Balance Sheet Data
(unaudited)

(\$ in thousands, except per share data)	September 30,			September 30,			December 31,		
	2016			2015			2015		
	Balance Sheet	Market Value	Unrecognized/ Unrealized Gain	Balance Sheet	Market Value	Unrecognized/ Unrealized Gain	Balance Sheet	Market Value	Unrecognized/ Unrealized Gain
Invested Assets:									
Corporate bonds ¹	\$ 3,312,160	3,314,526	77,917	\$ 2,901,352	2,904,449	37,945	\$ 2,955,001	2,957,427	8,276
Government and Municipal bonds	1,650,844	1,654,100	78,164	1,679,563	1,686,985	50,263	1,654,556	1,660,320	55,901
Total fixed income securities	4,963,004	4,968,626	156,081	4,580,915	4,591,434	88,208	4,609,557	4,617,747	64,177
Equities	147,304	147,304	24,323	221,951	221,951	1,131	207,051	207,051	13,235
Short-term investments	169,604	169,604	-	125,855	125,855	-	194,819	194,819	-
Other investments	88,512	88,512	-	85,146	85,146	-	77,842	77,842	-
Total invested assets	\$ 5,368,424	5,374,046	180,404	\$ 5,013,867	5,024,386	89,339	\$ 5,089,269	5,097,459	77,412
Invested assets per \$ of stockholders' equity	3.41			3.69			3.64		
Total assets	7,363,233			6,891,877			6,904,433		
Liabilities:									
Reserve for loss and loss expenses	3,686,586			3,517,751			3,517,728		
Unearned premium reserve	1,306,255			1,218,884			1,169,710		
Total liabilities	5,788,329			5,532,855			5,506,392		
Stockholders' equity	1,574,904			1,359,022			1,398,041		
Total debt to capitalization ratio	21.2%			22.2%			21.7%		
Book value per share	27.22			23.77			24.37		
Book value per share excluding unrealized gain or loss on fixed income portfolio	25.53			22.88			23.74		
NPW per insurance segment employee	1,021			958			979		
Statutory premiums to surplus ratio	1.4x			1.5x			1.5x		
Statutory surplus	1,551,227			1,367,343			1,426,320		

¹ Includes mortgage-backed and asset-backed securities.

Selective Insurance Group, Inc. & Consolidated Subsidiaries
Selected Income Statement Data
(unaudited)

(\$ in thousands, except per share amounts)		Quarter Ended September 30,				Year-to-Date September 30,			
		2016		2015		2016		2015	
		Per diluted share		Per diluted share		Per diluted share		Per diluted share	
Consolidated									
Revenue	\$	581,691		\$	540,457	\$	1,701,912	\$	1,586,322
Operating income		36,104	0.62		46,796		117,348		110,221
Net realized gains, after tax		2,398	0.04		200		1,787		10,251
Net income		38,502	0.66		46,996		119,135		120,472
Return on equity		9.8%			14.1%		10.7%		12.2%
Operating return on equity		9.2%			14.0%		10.5%		11.2%
Total Insurance Operations									
Gross premiums written		677,488			637,528		2,003,736		1,868,760
Net premiums written		578,773			545,025		1,722,272		1,595,246
Net premiums earned		542,429			507,390		1,596,819		1,473,822
Underwriting gain	- before tax	32,033			44,831		116,765		99,976
	- after tax	20,821	0.35		29,140	0.50	75,897	1.29	64,984
GAAP combined ratio		94.1%			91.2%		92.7%		93.2%
Standard Commercial Lines									
Net premiums earned		421,586			389,542		1,235,752		1,132,280
GAAP combined ratio		92.9%			88.7%		91.8%		90.3%
Standard Personal Lines									
Net premiums earned		68,690			72,088		209,719		216,638
GAAP combined ratio		93.8%			96.1%		90.9%		102.0%
Excess and Surplus Lines									
Net premiums earned		52,153			45,760		151,348		124,904
GAAP combined ratio		104.5%			104.4%		102.3%		104.0%
Investments									
Net investment income	- before tax	33,375			32,061		95,326		91,208
	- after tax	24,913	0.42		24,555	0.42	71,998	1.23	70,542
Effective tax rate		25.4%			23.4%		24.5%		22.7%
Annualized after-tax yield on investment portfolio							1.8%		1.9%
Annualized after-tax, after-interest expense yield							1.6%		1.6%
Invested assets per \$ of stockholders' equity							3.41		3.69
Other expenses (net of other income)									
Interest expense	- before tax	(5,714)			(5,610)		(16,940)		(16,826)
	- after tax	(3,714)	(0.06)		(3,646)	(0.06)	(11,011)	(0.19)	(10,937)
Other expense - after tax	\$	(5,916)	(0.09)	\$	(3,253)	(0.05)	\$ (19,536)	(0.33)	\$ (14,368)
Diluted weighted avg shares outstanding		58,731			57,984		58,612		57,838

Selective Insurance Group, Inc. & Consolidated Subsidiaries
GAAP Insurance Operations Results
(unaudited)

Third Quarter

(\$ in thousands)

Quarter Ended September 30, 2016

Quarter Ended September 30, 2015

	Standard Commercial Lines	Standard Personal Lines	Excess & Surplus Lines	Grand Total	Standard Commercial Lines	Standard Personal Lines	Excess & Surplus Lines	Grand Total
Net Premiums Written	\$ 449,544	76,225	53,004	578,773	\$ 414,031	76,927	54,067	545,025
Net Premiums Earned	421,586	68,690	52,153	542,429	389,542	72,088	45,760	507,390
Loss and Loss Expense Incurred	238,215	41,582	36,461	316,258	203,621	49,588	31,952	285,161
Net Underwriting Expenses Incurred	152,706	22,837	18,054	193,597	139,973	19,674	15,830	175,477
Dividends to Policyholders	541	-	-	541	1,921	-	-	1,921
GAAP Underwriting Gain (Loss)	\$ 30,124	4,271	(2,362)	32,033	\$ 44,027	2,826	(2,022)	44,831
GAAP Ratios								
Loss and Loss Expense Ratio	56.5%	60.5%	69.9%	58.3%	52.3%	68.8%	69.8%	56.2%
Underwriting Expense Ratio	36.3%	33.3%	34.6%	35.7%	35.9%	27.3%	34.6%	34.6%
Dividends to Policyholders Ratio	0.1%	0.0%	0.0%	0.1%	0.5%	0.0%	0.0%	0.4%
Combined Ratio	92.9%	93.8%	104.5%	94.1%	88.7%	96.1%	104.4%	91.2%

Year-to-Date

(\$ in thousands)

Year-to-Date September 30, 2016

Year-to-Date September 30, 2015

	Standard Commercial Lines	Standard Personal Lines	Excess & Surplus Lines	Grand Total	Standard Commercial Lines	Standard Personal Lines	Excess & Surplus Lines	Grand Total
Net Premiums Written	\$ 1,353,615	213,770	154,887	1,722,272	\$ 1,240,110	217,937	137,199	1,595,246
Net Premiums Earned	1,235,752	209,719	151,348	1,596,819	1,132,280	216,638	124,904	1,473,822
Loss and Loss Expense Incurred	683,183	123,489	105,209	911,881	619,857	156,490	85,374	861,721
Net Underwriting Expenses Incurred	447,528	67,229	49,604	564,361	397,829	64,443	44,563	506,835
Dividends to Policyholders	3,812	-	-	3,812	5,290	-	-	5,290
GAAP Underwriting Gain (Loss)	\$ 101,229	19,001	(3,465)	116,765	\$ 109,304	(4,295)	(5,033)	99,976
GAAP Ratios								
Loss and Loss Expense Ratio	55.3%	58.9%	69.5%	57.1%	54.7%	72.2%	68.4%	58.5%
Underwriting Expense Ratio	36.2%	32.0%	32.8%	35.4%	35.1%	29.8%	35.6%	34.3%
Dividends to Policyholders Ratio	0.3%	0.0%	0.0%	0.2%	0.5%	0.0%	0.0%	0.4%
Combined Ratio	91.8%	90.9%	102.3%	92.7%	90.3%	102.0%	104.0%	93.2%

Selective Insurance Group, Inc. and Consolidated Subsidiaries
GAAP Investment Income
September 2016 (unaudited)

(\$ in thousands, except per share data)	Quarter Ended		%	Year-to-Date		%
	September	September	Increase	September	September	Increase
	2016	2015	(Decrease)	2016	2015	(Decrease)
Investment Income:						
Interest:						
Fixed Income Securities	\$ 32,453	30,601	6	\$ 95,850	92,227	4
Short-term	192	24	700	493	72	585
Other Investments	1,628	1,337	22	(49)	(781)	94
Dividends	1,506	2,370	(36)	5,940	6,546	(9)
	<u>35,779</u>	<u>34,332</u>	<u>4</u>	<u>102,234</u>	<u>98,064</u>	<u>4</u>
Investment Expense	<u>2,404</u>	<u>2,271</u>	<u>6</u>	<u>6,908</u>	<u>6,856</u>	<u>1</u>
Net Investment Income Before Tax	33,375	32,061	4	95,326	91,208	5
Tax	8,462	7,506	13	23,328	20,666	13
Net Investment Income After Tax	\$ 24,913	24,555	1	\$ 71,998	70,542	2
Net Investment Income per Share	\$ 0.42	0.42	-	\$ 1.23	1.22	1

Effective Tax Rate	25.4%	23.4%	24.5%	22.7%
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Average Yields :

Fixed Income Securities:

Pre Tax	2.67%	2.74%
After Tax	2.00%	2.08%

Portfolio:

Pre Tax	2.43%	2.48%
After Tax	1.84%	1.92%

	Quarter Ended		Year-to-Date	
	September	September	September	September
	2016	2015	2016	2015
Net Realized Gains (Losses)				
Fixed Income Securities	\$ 2,163	(80)	\$ 1,944	587
Equity Securities	1,522	388	806	15,838
Other Investments	3	-	(1)	(654)
Total	3,688	308	2,749	15,771
Net of Tax	2,398	200	1,787	10,251

As of September 30, 2016 year-to-date new money rates for fixed income securities were 2.9% on a pre-tax basis and 2.0% on an after-tax basis.

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
2016 Statutory Results by Line of Business
Quarter Ended September 2016 (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 2016	Combined Ratio 2015	Underwriting Gain (Loss)
Standard Personal Lines:											
Homeowners	\$ 36,131	(3.6)%	\$ 32,031	(4.9)%	41.9%	8.6%	35.9%	0.0%	86.4%	96.8%	\$ 2,873
Auto	38,114	1.3%	34,865	(4.8)%	63.3%	11.0%	36.0%	0.0%	110.3%	103.4%	(4,752)
Other (including flood)	<u>1,980</u>	8.4%	<u>1,794</u>	(0.0)%	62.0%	(83.5)%	(143.8)%	0.0%	(165.3)%	(118.3)%	<u>5,028</u>
Total	\$ 76,225	(0.9)%	\$ 68,690	(4.7)%	53.3%	7.4%	31.3%	0.0%	92.0%	95.0%	\$ 3,149
Standard Commercial Lines:											
Commercial property	\$ 82,695	6.5%	\$ 74,052	8.0%	42.0%	5.1%	38.0%	0.1%	85.2%	67.8%	\$ 7,703
Workers compensation	81,646	9.7%	78,596	5.4%	37.0%	13.4%	29.5%	0.2%	80.2%	84.0%	14,689
General liability	141,556	8.3%	133,981	8.7%	32.5%	15.8%	36.3%	0.1%	84.7%	89.1%	17,714
Auto	108,655	10.9%	100,612	10.9%	70.3%	10.4%	33.6%	0.1%	114.5%	104.5%	(17,257)
Businessowners' policies	23,985	0.2%	24,461	3.1%	55.3%	11.9%	39.6%	0.0%	106.8%	100.0%	(1,482)
Bonds	6,723	25.1%	5,795	15.2%	12.8%	7.2%	55.0%	0.0%	75.0%	91.5%	937
Other	<u>4,282</u>	8.8%	<u>4,089</u>	12.7%	0.3%	0.4%	60.0%	0.0%	60.6%	60.0%	<u>1,494</u>
Total	\$ 449,544	8.6%	\$ 421,586	8.2%	44.8%	11.7%	35.4%	0.1%	92.0%	88.4%	\$ 23,799
E&S	\$ 53,004	(2.0)%	\$ 52,153	14.0%	52.1%	17.9%	31.4%	0.0%	101.4%	101.1%	\$ (986)
Total Insurance Operations	\$ 578,773	6.2%	\$ 542,429	6.9%	46.5%	11.8%	34.5%	0.1%	92.9%	90.5%	\$ 25,962

Note: Some amounts may not foot due to rounding.

	2016	2015
Losses Paid	\$ 226,037	\$ 237,573
LAE Paid	<u>48,335</u>	<u>50,084</u>
Total Paid	<u>\$ 274,372</u>	<u>\$ 287,657</u>

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
2016 Statutory Results by Line of Business
Year-to-Date September 2016 (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 2016	Combined Ratio 2015	Underwriting Gain (Loss)
Standard Personal Lines:											
Homeowners	\$ 98,697	(3.1)%	\$ 98,342	(2.7)%	39.7%	8.5%	37.2%	0.0%	85.4%	108.0%	\$ 14,253
Auto	110,093	(0.9)%	106,526	(3.5)%	59.8%	11.2%	35.4%	0.0%	106.4%	105.5%	(8,120)
Other (including flood)	4,980	0.1%	4,851	(5.7)%	63.4%	(50.9)%	(158.7)%	0.0%	(146.2)%	(108.5)%	12,148
Total	\$ 213,770	(1.9)%	\$ 209,719	(3.2)%	50.4%	8.5%	31.8%	0.0%	90.7%	101.7%	\$ 18,280
Standard Commercial Lines:											
Commercial property	\$ 237,693	8.4%	\$ 217,821	9.1%	41.6%	4.9%	38.5%	0.3%	85.0%	86.9%	\$ 25,186
Workers compensation	252,032	7.8%	229,847	7.4%	40.2%	13.8%	28.0%	0.8%	82.8%	87.7%	33,220
General liability	431,751	9.1%	391,349	9.5%	34.5%	13.7%	35.5%	0.2%	83.9%	80.0%	48,820
Auto	325,751	11.7%	294,927	11.0%	66.1%	9.7%	32.8%	0.2%	108.9%	101.5%	(36,277)
Businessowners' policies	74,055	3.2%	73,016	4.9%	43.9%	11.6%	39.1%	0.0%	94.7%	108.9%	3,479
Bonds	19,494	18.8%	16,924	11.8%	12.8%	7.4%	56.7%	0.0%	76.8%	87.5%	2,463
Other	12,839	11.5%	11,868	11.4%	(0.2)%	0.3%	56.9%	0.0%	56.9%	56.0%	4,558
Total	\$ 1,353,615	9.2%	\$ 1,235,752	9.1%	44.3%	10.9%	34.6%	0.3%	90.1%	89.4%	\$ 81,449
E&S	\$ 154,887	12.9%	\$ 151,348	21.2%	50.2%	19.3%	31.4%	0.0%	100.9%	101.8%	\$ (2,461)
Total Insurance Operations	\$ 1,722,272	8.0%	\$ 1,596,819	8.3%	45.6%	11.4%	34.0%	0.2%	91.2%	92.3%	\$ 97,268

Note: Some amounts may not foot due to rounding.

	2016	2015
Losses Paid	\$ 678,430	\$ 656,683
LAE Paid	145,504	144,145
Total Paid	<u>\$ 823,934</u>	<u>\$ 800,828</u>

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
2016 Net Catastrophe Losses and Prior Year Casualty Reserve Development
Statutory Results by Line of Business
(unaudited)

Net Catastrophe Losses Incurred	Quarter Ended				Year-to-Date			
	September 30, 2016		September 30, 2015		September 30, 2016		September 30, 2015	
	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio
(\$ in thousands)								
Standard Personal Lines	\$ 2,480	3.6%	\$ 5,784	8.0%	\$ 6,809	3.2%	\$ 20,381	9.4%
Standard Commercial Lines	6,204	1.5%	757	0.2%	21,476	1.7%	33,016	2.9%
E&S	1,710	3.3%	308	0.7%	4,895	3.2%	2,752	2.2%
Total Insurance Operations	\$ 10,394	1.9%	\$ 6,850	1.3%	\$ 33,180	2.1%	\$ 56,149	3.8%

Prior Year Casualty Reserve Development (Favorable) / Unfavorable	Quarter Ended				Year-to-Date			
	September 30, 2016		September 30, 2015		September 30, 2016		September 30, 2015	
	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio	Loss and Loss Expense Incurred	Impact on Loss and Loss Expense Ratio
(\$ in thousands)								
Standard Personal Lines	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Standard Commercial Lines	(19,000)	(4.5)%	(19,000)	(4.9)%	(49,000)	(4.0)%	(61,000)	(5.4)%
E&S	-	0.0%	4,000	8.7%	3,000	2.0%	6,000	4.8%
Total Insurance Operations	\$ (19,000)	(3.5)%	\$ (15,000)	(3.0)%	\$ (46,000)	(2.9)%	\$ (55,000)	(3.7)%

Note: Some amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries
Consolidated Balance Sheets

(\$ in thousands, except share amounts)

	Unaudited September 30, 2016	December 31, 2015
ASSETS		
Investments:		
Fixed income securities, held-to-maturity – at carrying value (fair value: \$136,094 – 2016; \$209,544 – 2015)	\$ 130,472	201,354
Fixed income securities, available-for-sale – at fair value (amortized cost: \$4,682,267 – 2016; \$4,352,514 – 2015)	4,832,532	4,408,203
Equity securities, available-for-sale – at fair value (cost: \$122,981 – 2016; \$193,816 – 2015)	147,304	207,051
Short-term investments (at cost which approximates fair value)	169,604	194,819
Other investments	88,512	77,842
Total investments	5,368,424	5,089,269
Cash	1,493	898
Interest and dividends due or accrued	39,901	38,501
Premiums receivable, net of allowance for uncollectible accounts of: \$5,907 – 2016; \$4,422 – 2015	711,589	615,164
Reinsurance recoverables, net of allowance for uncollectible accounts of: \$5,500 – 2016; \$5,700 – 2015	640,012	561,968
Prepaid reinsurance premiums	151,981	140,889
Deferred federal income tax	41,656	92,696
Property and equipment – at cost, net of accumulated depreciation and amortization of: \$198,171 – 2016; \$188,548 – 2015	69,812	65,701
Deferred policy acquisition costs	235,934	213,159
Goodwill	7,849	7,849
Other assets	94,582	78,339
Total assets	<u>\$ 7,363,233</u>	<u>6,904,433</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Reserve for loss and loss expenses	\$ 3,686,586	3,517,728
Unearned premiums	1,306,255	1,169,710
Short-term debt	45,000	60,000
Long-term debt	378,551	328,192
Current federal income tax	6,509	7,442
Accrued salaries and benefits	103,583	167,336
Other liabilities	261,845	255,984
Total liabilities	<u>\$ 5,788,329</u>	<u>5,506,392</u>
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: 101,505,201 – 2016; 100,861,372 – 2015	203,011	201,723
Additional paid-in capital	342,846	326,656
Retained earnings	1,538,928	1,446,192
Accumulated other comprehensive income (loss)	62,209	(9,425)
Treasury stock – at cost (shares: 43,653,034 – 2016; 43,500,642 – 2015)	(572,090)	(567,105)
Total stockholders' equity	<u>\$ 1,574,904</u>	<u>1,398,041</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>\$ 7,363,233</u>	<u>6,904,433</u>

Selective Insurance Group, Inc. & Consolidated Subsidiaries		Quarter ended		Nine Months ended	
Unaudited Consolidated Statements of Income		September 30,		September 30,	
(\$ in thousands, except per share amounts)		2016	2015	2016	2015
Revenues:					
Net premiums earned	\$	542,429	507,390	1,596,819	1,473,822
Net investment income earned		33,375	32,061	95,326	91,208
Net realized gains:					
Net realized investment gains		4,030	1,590	7,233	23,598
Other-than-temporary impairments		(342)	(1,282)	(4,494)	(7,827)
Other-than-temporary impairments on fixed income securities recognized in other comprehensive income		—	—	10	—
Total net realized gains		3,688	308	2,749	15,771
Other income		2,199	698	7,018	5,521
Total revenues		581,691	540,457	1,701,912	1,586,322
Expenses:					
Loss and loss expense incurred		316,258	285,161	911,881	861,721
Policy acquisition costs		193,835	174,802	567,793	509,295
Interest expense		5,714	5,610	16,940	16,826
Other expenses		10,441	9,045	35,669	29,586
Total expenses		526,248	474,618	1,532,283	1,417,428
Income before federal income tax		55,443	65,839	169,629	168,894
Federal income tax expense:					
Current		5,625	9,141	38,027	29,128
Deferred		11,316	9,702	12,467	19,294
Total federal income tax expense		16,941	18,843	50,494	48,422
Net income	\$	38,502	46,996	119,135	120,472
Earnings per share:					
Basic net income	\$	0.66	0.82	2.06	2.11
Diluted net income	\$	0.66	0.81	2.03	2.08
Dividends to stockholders	\$	0.15	0.14	0.45	0.42

Selective Insurance Group, Inc. & Consolidated Subsidiaries		Quarter ended		Nine Months ended	
Unaudited Consolidated Statements of Comprehensive Income		September 30,		September 30,	
(\$ in thousands)		2016	2015	2016	2015
Net income	\$	38,502	46,996	119,135	120,472
Other comprehensive (loss) income, net of tax:					
<i>Unrealized (losses) gains on investment securities:</i>					
Unrealized holding (losses) gains arising during period		(8,444)	5,442	70,473	(18,132)
Non-credit portion of other-than-temporary impairments recognized in other comprehensive income		—	—	(6)	—
<i>Amounts reclassified into net income:</i>					
Held-to-maturity securities		(9)	(63)	(68)	(353)
Non-credit other-than-temporary impairments		—	—	—	232
Realized gains on available-for-sale securities		(2,395)	(199)	(1,786)	(10,906)
Total unrealized (losses) gains on investment securities		(10,848)	5,180	68,613	(29,159)
<i>Defined benefit pension and post-retirement plans:</i>					
<i>Amounts reclassified into net income:</i>					
Net actuarial loss		1,050	1,110	3,021	3,332
Total defined benefit pension and post-retirement plans		1,050	1,110	3,021	3,332
Other comprehensive (loss) income		(9,798)	6,290	71,634	(25,827)
Comprehensive income	\$	28,704	53,286	190,769	94,645

Selective Insurance Group, Inc. & Consolidated Subsidiaries		Nine Months ended	
Unaudited Consolidated Statements of Stockholders' Equity		September 30,	
(\$ in thousands, except per share amounts)		2016	2015
Common stock:			
Beginning of year	\$	201,723	199,896
Dividend reinvestment plan (shares: 29,865 – 2016; 38,947 – 2015)		60	78
Stock purchase and compensation plans (shares: 613,964 – 2016; 686,984 – 2015)		1,228	1,374
End of period		203,011	201,348
Additional paid-in capital:			
Beginning of year		326,656	305,385
Dividend reinvestment plan		1,035	1,014
Stock purchase and compensation plans		15,155	14,588
End of period		342,846	320,987
Retained earnings:			
Beginning of year		1,446,192	1,313,440
Net income		119,135	120,472
Dividends to stockholders (\$0.45 per share – 2016; \$0.42 per share – 2015)		(26,399)	(24,376)
End of period		1,538,928	1,409,536
Accumulated other comprehensive income (loss):			
Beginning of year		(9,425)	19,788
Other comprehensive income (loss)		71,634	(25,827)
End of period		62,209	(6,039)
Treasury stock:			
Beginning of year		(567,105)	(562,923)
Acquisition of treasury stock (shares: 152,392 – 2016; 139,031 – 2015)		(4,985)	(3,887)
End of period		(572,090)	(566,810)
Total stockholders' equity	\$	1,574,904	1,359,022

Selective Insurance Group, Inc. & Consolidated Subsidiaries
Unaudited Consolidated Statements of Cash Flow

**Nine Months ended
September 30,**

(\$ in thousands)

2016

2015

Operating Activities

Net income	\$ 119,135	120,472
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	45,563	43,868
Stock-based compensation expense	8,950	7,626
Undistributed losses of equity method investments	49	781
Net realized gains	(2,749)	(15,771)
<i>Changes in assets and liabilities:</i>		
Increase in reserve for loss and loss expenses, net of reinsurance recoverables	90,814	60,065
Increase in unearned premiums, net of prepaid reinsurance	125,453	121,424
Decrease in net federal income taxes	11,534	27,980
Increase in premiums receivable	(96,425)	(95,188)
Increase in deferred policy acquisition costs	(22,775)	(28,058)
(Increase) decrease in interest and dividends due or accrued	(1,356)	979
Decrease in accrued salaries and benefits	(63,753)	(338)
Increase in other assets	(16,280)	(13,888)
(Decrease) increase in other liabilities	(20,686)	29,081
Net adjustments	58,339	138,561
Net cash provided by operating activities	177,474	259,033

Investing Activities

Purchase of fixed income securities, available-for-sale	(842,253)	(731,154)
Purchase of fixed income securities, held-to-maturity	(4,235)	—
Purchase of equity securities, available-for-sale	(24,747)	(192,717)
Purchase of other investments	(34,994)	(6,589)
Purchase of short-term investments	(1,307,024)	(1,084,794)
Sale of fixed income securities, available-for-sale	33,448	22,323
Sale of short-term investments	1,332,239	1,090,911
Redemption and maturities of fixed income securities, held-to-maturity	74,186	79,972
Redemption and maturities of fixed income securities, available-for-sale	483,877	403,510
Sale of equity securities, available-for-sale	99,420	148,228
Distributions from other investments	18,512	22,038
Purchase of property and equipment	(13,421)	(11,869)
Net cash used in investing activities	(184,992)	(260,141)

Financing Activities

Dividends to stockholders	(24,885)	(22,848)
Acquisition of treasury stock	(4,985)	(3,887)
Net proceeds from stock purchase and compensation plans	4,906	6,016
Proceeds from borrowings	105,000	15,000
Repayments of borrowings	(70,000)	—
Excess tax benefits from share-based payment arrangements	1,917	1,498
Repayments of capital lease obligations	(3,840)	(3,517)
Net cash provided by (used in) financing activities	8,113	(7,738)
Net increase (decrease) in cash	595	(8,846)
Cash, beginning of year	898	23,959
Cash, end of period	\$ 1,493	15,113

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Statutory Balance Sheets
(unaudited)

(\$ in thousands)	September 30, 2016	September 30, 2015	December 31, 2015
ASSETS			
Bonds	\$ 4,737,691	4,438,650	4,491,136
Common stocks	135,489	210,197	194,789
Preferred stocks	11,310	11,708	11,856
Affiliated mortgage loan	34,538	35,366	35,163
Other investments	134,972	136,591	128,788
Short-term investments	147,891	109,393	165,678
Total investments	5,201,891	4,941,905	5,027,410
Cash on hand and in banks	5,581	(6,272)	(34,378)
Interest and dividends due and accrued	39,843	37,944	38,466
Premiums receivable	705,735	648,264	609,146
Reinsurance recoverable on paid losses and expenses	9,326	11,288	10,949
Deferred tax recoverable	159,475	146,936	142,066
EDP equipment	389	436	390
Equities and deposits in pools and associations	12,533	12,394	10,920
Receivable for sold securities	6	64	17
Other assets	30,343	26,798	28,300
Total assets	\$ 6,165,122	5,819,757	5,833,286
LIABILITIES			
Reserve for losses	\$ 2,477,012	2,427,024	2,426,583
Reinsurance payable on paid loss and loss expense	3,472	2,677	2,841
Reserve for loss expenses	561,520	526,253	525,322
Unearned premiums	1,154,274	1,070,250	1,028,820
Reserve for commissions payable	83,202	73,293	89,740
Ceded balances payable	46,471	32,626	37,222
Federal income tax payable	18,332	22,996	25,644
Premium and other taxes payable	21,375	24,257	23,998
Borrowed money	95,156	60,029	60,031
Reserve for dividends to policyholders	6,587	5,989	5,805
Reserves for unauthorized reinsurance	2,030	7,661	2,030
Payable for securities	31,326	31,974	6,204
Funds withheld on account of others	10,671	7,695	6,806
Accrued salaries and benefits	69,337	69,837	77,933
Other liabilities	33,130	89,853	87,987
Total liabilities	4,613,895	4,452,414	4,406,966
POLICYHOLDERS' SURPLUS			
Capital	42,725	42,725	42,725
Paid in surplus	492,869	492,869	492,869
Unassigned surplus	1,015,633	831,749	890,726
Total policyholders' surplus	1,551,227	1,367,343	1,426,320
Total liabilities and policyholders' surplus	\$ 6,165,122	5,819,757	5,833,286

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Statutory Statements Of Income
(unaudited)

	Quarter Ended September				Nine Months Ended September				
(\$ in thousands)	2016		2015		2016		2015		
UNDERWRITING									
Net premiums written	\$	578,773		545,025		1,722,272		1,595,246	
Net premiums earned		542,429		507,390		1,596,819		1,473,822	
Net losses paid		226,037		237,573		678,430		656,683	
Change in reserve for losses		26,528		(11,051)		50,463		28,493	
Net losses incurred		252,565	46.5%	226,522	44.6%	728,893	45.6%	685,176	46.5%
Net loss expenses paid		48,335		50,084		145,504		144,145	
Change in reserve for loss expenses		15,460		8,083		36,198		32,744	
Net loss expenses incurred		63,795	11.8%	58,167	11.5%	181,702	11.4%	176,889	12.0%
Net underwriting expenses incurred		201,060	34.8%	185,183	33.9%	590,178	34.3%	537,019	33.6%
Total deductions		517,420		469,872		1,500,773		1,399,084	
Statutory underwriting gain		<u>25,009</u>		<u>37,518</u>		<u>96,046</u>		<u>74,738</u>	
Net loss from premium balances charged off		(734)		(833)		(2,058)		(2,146)	
Finance charges and other income		2,228		772		7,092		5,688	
Total other income		1,494	-0.3%	(61)	0.1%	5,034	-0.3%	3,542	-0.2%
Policyholders' dividends incurred		(541)	0.1%	(1,921)	0.4%	(3,812)	0.2%	(5,290)	0.4%
Total underwriting gain		<u>25,962</u>	92.9%	<u>35,536</u>	90.5%	<u>97,268</u>	91.2%	<u>72,990</u>	92.3%
INVESTMENT									
Net investment income earned		32,398		31,821		93,920		91,103	
Net realized gain		3,689		309		2,747		15,770	
Total income before income tax		<u>62,049</u>		<u>67,666</u>		<u>193,935</u>		<u>179,863</u>	
Federal income tax expense		8,778		17,938		47,283		37,729	
Net income	\$	<u>53,271</u>		<u>49,728</u>		<u>146,652</u>		<u>142,134</u>	
Policyholders' Surplus									
Surplus, beginning of period	\$	1,506,535		1,344,630		1,426,320		1,307,842	
Net income		53,271		49,728		146,652		142,134	
Change in deferred taxes		(10,503)		752		(9,002)		(11,401)	
Change in net unrealized capital (losses) / gains		(1,078)		(6,554)		7,159		(20,101)	
Dividends to stockholders		(15,254)		(14,438)		(45,761)		(43,314)	
Change in non-admitted assets		16,729		(8,390)		21,471		(12,661)	
Change in Overfunded Contra Asset		(28,408)		(281)		(52,108)		(842)	
Qual Pen Trans Liab		29,908		1,845		56,425		5,534	
Excess Plan Trans Liab		22		44		60		130	
PRL Plan Trans Liab		5		7		11		22	
Net change in surplus for period		<u>44,692</u>		<u>22,713</u>		<u>124,907</u>		<u>59,501</u>	
Surplus, end of period	\$	<u>1,551,227</u>		<u>1,367,343</u>		<u>1,551,227</u>		<u>1,367,343</u>	
Statutory underwriting gain	\$	25,962		35,536		97,268		72,990	
Adjustments under GAAP:									
Deferred policy acquisition costs		7,380		10,442		22,775		28,058	
Other, net		(1,309)		(1,147)		(3,278)		(1,072)	
GAAP underwriting gain	\$	<u>32,033</u>		<u>44,831</u>		<u>116,765</u>		<u>99,976</u>	

Note: Some amounts or ratios may not foot due to rounding

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Alternative Investments
September 30, 2016
(unaudited)

Strategy	Number of Funds	Original Commitment	Remaining Commitment	Current Market Value
Private Equity	15	150,456,790	57,793,283	35,443,848
Private Credit	8	92,000,000	30,762,618	27,708,889
Real Assets	7	100,000,000	22,922,421	15,329,396
TOTAL - ALTERNATIVE INVESTMENTS	30	342,456,790	111,478,322	78,482,133

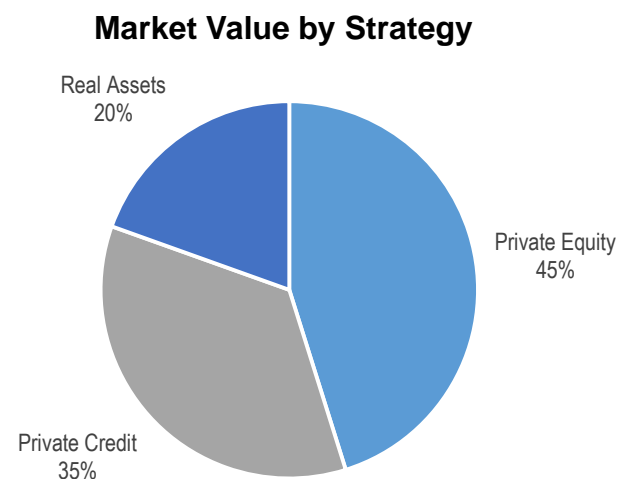
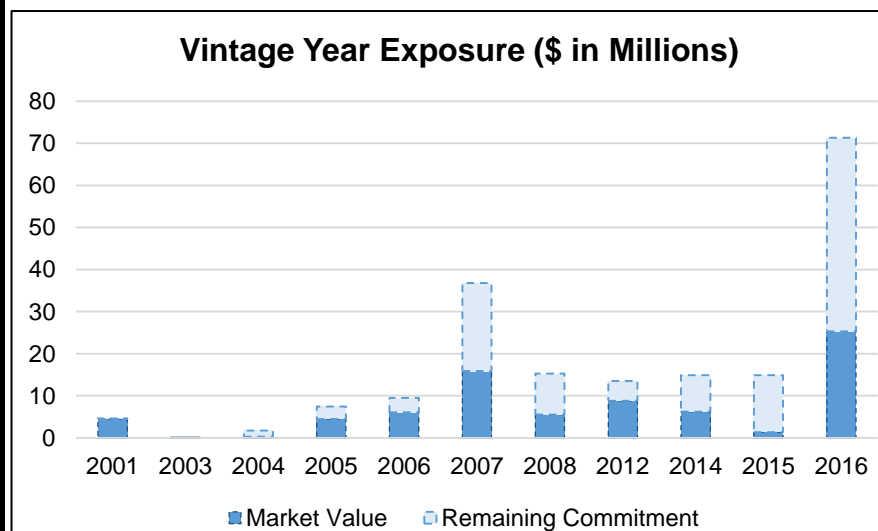


Exhibit may not foot due to rounding