



**FINANCIAL SUPPLEMENT
SECOND QUARTER 2018**

Forward-Looking Statements

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;
- the impact of changes in U.S. trade policies and imposition of tariffs on imports that may lead to higher than anticipated inflationary trends for our loss and loss adjustment expenses;
- 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).

Selective Insurance Group, Inc. & Consolidated Subsidiaries

TABLE OF CONTENTS

	Page
Consolidated Financial Highlights	1
Consolidated Statements of Operations	2
Consolidated Balance Sheets	3
Financial Metrics	4
Consolidated Insurance Operations Statement of Operations	5
Standard Commercial Lines Statement of Operations and Supplemental Data	6
Standard Commercial Lines GAAP Line of Business Results	7
Standard Personal Lines Statement of Operations and Supplemental Data	8
Standard Personal Lines GAAP Line of Business Results	9
Excess and Surplus Lines Statement of Operations and Supplemental Data	10
Excess and Surplus Lines GAAP Line of Business Results	11
Consolidated Investment Income	12
Consolidated Composition of Invested Assets	13
Reconciliation of Net Income to Non-GAAP Operating Income and Certain Other Non-GAAP Measures	14
Ratings and Contact Information	15

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ and shares in millions, except per share data)							
For Period Ended							
Gross premiums written	\$ 759.9	720.5	642.3	715.4	712.9	1,480.4	1,402.4
Net premiums written	655.2	624.6	553.8	604.3	613.8	1,279.8	1,212.5
Change in net premiums written, from comparable prior year period	7 %	4	8	4	6	6	6
Underwriting income, before-tax	\$ 38.0	4.7	42.4	32.4	30.3	42.8	79.5
Net investment income earned, before-tax	45.6	43.2	42.6	40.4	41.4	88.8	78.8
Net realized and unrealized investment (losses) gains, before-tax*	(1.7)	(10.5)	(1.1)	6.8	1.7	(12.2)	0.7
Net income	\$ 58.8	18.9	30.2	46.7	41.4	77.7	91.9
Non-GAAP operating income**	60.1	27.3	51.2	42.3	40.3	87.4	91.4
At Period End							
Total assets	7,705.7	7,659.9	7,686.4	7,812.1	7,528.2	7,705.7	7,528.2
Total invested assets	5,665.6	5,678.6	5,685.2	5,710.8	5,503.0	5,665.6	5,503.0
Stockholders' equity	1,698.2	1,659.8	1,713.0	1,699.4	1,652.6	1,698.2	1,652.6
Shares outstanding	58.8	58.7	58.5	58.4	58.4	58.8	58.4
Per Share and Share Data							
Net income per diluted share	\$ 0.99	0.32	0.51	0.79	0.70	1.30	1.55
Non-GAAP operating income per diluted share**	1.01	0.46	0.86	0.72	0.68	1.46	1.54
Weighted average diluted shares outstanding	59.6	59.6	59.5	59.3	59.2	59.6	59.2
Book value per share	\$ 28.86	28.25	29.28	29.10	28.32	28.86	28.32
Dividends paid per share	0.18	0.18	0.18	0.16	0.16	0.36	0.32
Financial Ratios							
Loss and loss expense ratio	60.5 %	65.0	57.8	60.2	60.2	62.8	58.4
Underwriting expense ratio	32.9	33.8	34.7	33.9	34.2	33.3	34.4
Dividends to policyholders ratio	0.3	0.4	0.3	0.2	0.3	0.3	0.2
GAAP combined ratio	93.7 %	99.2	92.8	94.3	94.7	96.4	93.0
Annualized ROE	14.0	4.5	7.1	11.2	10.2	9.1	11.5
Annualized non-GAAP operating ROE**	14.3	6.5	12.0	10.1	9.9	10.2	11.5
Debt to total capitalization	20.6	22.9	20.4	20.5	21.0	20.6	21.0
Net premiums written to policyholders' surplus	1.4 x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x
Invested assets per dollar of stockholders' equity	\$ 3.34	3.42	3.32	3.36	3.33	3.34	3.33

* Refer to Page 2 for components of realized and unrealized investment losses and gains.

** Non-GAAP measure. Refer to Page 14 for definition.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ and shares in millions, except per share data)							
Revenues							
Net premiums earned	\$ 604.8	591.8	590.1	572.1	568.0	1,196.7	1,128.9
Net investment income earned	45.6	43.2	42.6	40.4	41.4	88.8	78.8
Net realized and unrealized (losses) gains:							
Net realized investment gains (losses) on disposals	—	4.7	(1.0)	6.9	3.0	4.8	5.4
Other-than-temporary impairments	(2.8)	(1.2)	(0.1)	(0.1)	(1.2)	(4.0)	(4.7)
Unrealized gains (losses) on equity securities	1.1	(14.1)	—	—	—	(13.0)	—
Total net realized and unrealized (losses) gains	(1.7)	(10.5)	(1.1)	6.8	1.7	(12.2)	0.7
Other income	3.2	2.2	2.2	2.0	3.3	5.4	6.5
Total revenues	651.9	626.7	633.7	621.3	614.5	1,278.6	1,215.0
Expenses							
Loss and loss expenses incurred	366.3	384.9	341.5	344.6	341.6	751.3	659.0
Amortization of deferred policy acquisition costs	122.7	121.1	119.2	118.1	116.6	243.8	231.9
Other insurance expenses	81.0	83.2	89.3	78.9	82.9	164.2	164.9
Interest expense	6.1	6.2	6.1	6.1	6.1	12.3	12.2
Corporate expenses	3.3	11.3	9.6	6.3	8.5	14.6	20.4
Total expenses	579.4	606.8	565.6	554.0	555.6	1,186.1	1,088.5
Income before federal income taxes	72.5	19.9	68.2	67.3	58.9	92.5	126.5
Federal income tax expense	13.7	1.0	37.9	20.6	17.5	14.7	34.6
Net Income	\$ 58.8	18.9	30.2	46.7	41.4	77.7	91.9
Net realized and unrealized investment losses (gains), after tax*	1.3	8.3	0.7	(4.4)	(1.1)	9.6	(0.4)
Tax reform impact - deferred tax write-off*	—	—	20.2	—	—	—	—
Non-GAAP operating income**	\$ 60.1	27.3	51.2	42.3	40.3	87.4	91.4
Weighted average shares outstanding (diluted)	59.6	59.6	59.5	59.3	59.2	59.6	59.2
Net income per share (diluted)	\$ 0.99	0.32	0.51	0.79	0.70	1.30	1.55
Non-GAAP operating income per share (diluted)**	\$ 1.01	0.46	0.86	0.72	0.68	1.46	1.54

* Amounts are provided to reconcile net income to non-GAAP operating income.

** Non-GAAP measure. Refer to Page 14 for definition.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(\$ in millions, except per share data)	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017
ASSETS					
Investments					
Fixed income securities, held-to-maturity, at carrying value	\$ 42.0	41.6	42.1	65.0	72.5
Fixed income securities, available-for-sale, at fair value	5,137.7	5,141.6	5,162.5	5,133.4	5,018.7
Equity securities, at fair value	176.6	168.8	182.7	175.3	161.7
Short-term investments	164.1	183.0	165.6	216.3	133.7
Other investments	145.2	143.6	132.3	120.8	116.4
Total investments	5,665.6	5,678.6	5,685.2	5,710.8	5,503.0
Cash	4.9	0.7	0.5	0.7	8.6
Restricted cash	11.6	16.3	44.2	18.0	8.1
Interest and dividends due or accrued	41.0	42.0	40.9	40.8	40.2
Premiums receivable, net of allowance	821.2	766.3	747.0	769.8	764.3
Reinsurance recoverable, net of allowance	545.0	560.9	594.8	661.2	601.9
Prepaid reinsurance premiums	157.6	151.4	153.5	161.4	151.9
Current federal income tax	—	0.2	3.2	—	—
Deferred federal income tax	51.6	48.2	32.0	52.9	60.4
Property and equipment, net of accumulated depreciation and amortization	62.7	62.0	64.0	66.3	66.3
Deferred policy acquisition costs	248.5	239.3	235.1	242.2	234.9
Goodwill	7.8	7.8	7.8	7.8	7.8
Other assets	88.3	86.2	78.2	80.2	80.6
Total assets	\$ 7,705.7	7,659.9	7,686.4	7,812.1	7,528.2
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities					
Reserve for loss and loss expense	\$ 3,804.4	3,792.1	3,771.2	3,835.8	3,731.2
Unearned premiums	1,436.9	1,380.3	1,349.6	1,393.8	1,352.1
Short-term debt	—	55.0	—	—	—
Long-term debt	439.3	439.2	439.1	439.0	438.9
Current federal income tax	5.1	—	—	6.7	2.1
Accrued salaries and benefits	85.4	90.5	131.9	113.1	103.2
Other liabilities	236.5	243.1	281.6	324.3	248.2
Total liabilities	\$ 6,007.5	6,000.2	5,973.5	6,112.8	5,875.6
Stockholders' Equity					
Preferred stock of \$0 par value per share	\$ —	—	—	—	—
Common stock of \$2 par value per share	205.5	205.3	204.6	204.4	204.3
Additional paid-in capital	381.6	375.2	367.7	362.7	360.0
Retained earnings	1,779.9	1,731.8	1,698.6	1,679.0	1,641.8
Accumulated other comprehensive (loss) income	(84.5)	(68.2)	20.2	31.3	24.5
Treasury stock, at cost	(584.4)	(584.2)	(578.1)	(578.1)	(578.0)
Total stockholders' equity	\$ 1,698.2	1,659.8	1,713.0	1,699.4	1,652.6
Commitments and contingencies					
Total liabilities and stockholders' equity	\$ 7,705.7	7,659.9	7,686.4	7,812.1	7,528.2

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

FINANCIAL METRICS

(Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ and shares in millions, except per share data)							
Book value per share							
Stockholders' equity	\$ 1,698.2	1,659.8	1,713.0	1,699.4	1,652.6	1,698.2	1,652.6
Common shares issued and outstanding, at period end	58.8	58.7	58.5	58.4	58.4	58.8	58.4
Book value per share	\$ 28.86	28.25	29.28	29.10	28.32	28.86	28.32
Book value per share excluding unrealized gain or loss on fixed income securities	29.08	28.19	28.34	27.92	27.25	29.08	27.25
Financial results (after-tax)							
Underwriting income	30.0	3.7	27.5	21.1	19.7	33.8	51.7
Net investment income	37.6	35.8	31.2	29.6	30.3	73.4	57.8
Interest expense	(4.8)	(4.9)	(4.0)	(4.0)	(4.0)	(9.7)	(7.9)
Corporate expense	(2.7)	(7.4)	(3.6)	(4.4)	(5.8)	(10.1)	(10.1)
Net realized and unrealized investment (losses) gains*	(1.3)	(8.3)	(0.7)	4.4	1.1	(9.6)	0.4
Tax reform impact - deferred tax write-off	—	—	(20.2)	—	—	—	—
Total after-tax net income	58.8	18.9	30.2	46.7	41.4	77.7	91.9
Return on average equity							
Insurance segments	7.2 %	0.9	6.5	5.0	4.9	4.0	6.5
Net investment income	9.0	8.5	7.3	7.1	7.5	8.6	7.3
Interest expense	(1.2)	(1.2)	(0.9)	(0.9)	(1.0)	(1.1)	(1.0)
Corporate expense	(0.7)	(1.7)	(0.9)	(1.1)	(1.5)	(1.3)	(1.3)
Net realized and unrealized investment (losses) gains, net of tax	(0.3)	(2.0)	(0.2)	1.1	0.3	(1.1)	—
Tax reform impact - deferred tax write-off	—	—	(4.7)	—	—	—	—
Annualized ROE	14.0	4.5	7.1	11.2	10.2	9.1	11.5
Net realized and unrealized losses (gains), net of tax**	0.3	2.0	0.2	(1.1)	(0.3)	1.1	—
Tax reform impact - deferred tax write-off**	—	—	4.7	—	—	—	—
Annualized Non-GAAP Operating ROE***	14.3 %	6.5	12.0	10.1	9.9	10.2	11.5
Debt and total capitalization							
Notes payable:							
1.61% Borrowings from FHLBNY	\$ 25.0	25.0	25.0	25.0	25.0	25.0	25.0
1.56% Borrowings from FHLBNY	25.0	25.0	25.0	25.0	25.0	25.0	25.0
1.98% Borrowings from FHLBNY	—	55.0	—	—	—	—	—
3.03% Borrowings from FHLBI	60.0	60.0	60.0	60.0	60.0	60.0	60.0
7.25% Senior Notes	49.7	49.7	49.7	49.7	49.7	49.7	49.7
6.70% Senior Notes	99.0	99.0	99.0	99.0	99.0	99.0	99.0
5.875% Senior Notes	180.6	180.5	180.4	180.3	180.2	180.6	180.2
Total debt	439.3	494.2	439.1	439.0	438.9	439.3	438.9
Stockholders' equity	1,698.2	1,659.8	1,713.0	1,699.4	1,652.6	1,698.2	1,652.6
Total capitalization	\$ 2,137.5	2,154.0	2,152.1	2,138.4	2,091.5	2,137.5	2,091.5
Ratio of debt to total capitalization	20.6 %	22.9	20.4	20.5	21.0	20.6	21.0
Policyholders' surplus	\$ 1,708.3	1,673.8	1,672.9	1,684.4	1,653.2	1,708.3	1,653.2

* Refer to Page 2 for components of realized and unrealized investment losses and gains.

** Amounts are provided to reconcile annualized ROE to annualized non-GAAP operating ROE.

*** Non-GAAP measure. Refer to Page 14 for definition.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED INSURANCE OPERATIONS STATEMENT OF OPERATIONS (Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions)							
Underwriting results							
Net premiums written	\$ 655.2	624.6	553.8	604.3	613.8	1,279.8	1,212.5
Change in net premiums written, from comparable prior year period	7 %	4	8	4	6	6	6
Net premiums earned	\$ 604.8	591.8	590.1	572.1	568.0	1,196.7	1,128.9
Losses and loss expenses incurred	366.3	384.9	341.5	344.6	341.6	751.3	659.0
Net underwriting expenses incurred	198.9	199.7	204.5	194.0	194.2	398.6	388.5
Dividends to policyholders	1.6	2.4	1.8	1.0	1.9	4.0	1.8
GAAP underwriting gain	\$ 38.0	4.7	42.4	32.4	30.3	42.8	79.5
Catastrophe losses	\$ 18.7	26.0	2.0	23.7	29.3	44.8	41.5
(Favorable) prior year casualty reserve development	(4.0)	(8.0)	(10.0)	(9.9)	(14.3)	(12.0)	(28.7)
Underwriting ratios							
Loss and loss expense ratio	60.5 %	65.0	57.8	60.2	60.2	62.8	58.4
Underwriting expense ratio	32.9	33.8	34.7	33.9	34.2	33.3	34.4
Dividends to policyholders ratio	0.3	0.4	0.3	0.2	0.3	0.3	0.2
Combined ratio	93.7 %	99.2	92.8	94.3	94.7	96.4	93.0
Catastrophe losses	3.1 pts	4.4	0.3	4.1	5.2	3.7	3.7
(Favorable) prior year casualty reserve development	(0.7) pts	(1.4)	(1.7)	(1.7)	(2.5)	(1.0)	(2.5)
Combined ratio before catastrophe losses	90.6 %	94.8	92.5	90.2	89.5	92.7	89.3
Combined ratio before catastrophe losses and prior year casualty development	91.3	96.2	94.2	91.9	92.0	93.7	91.8
Other Statistics							
Non-catastrophe property losses	\$ 82.9	105.7	87.1	71.8	73.3	188.7	144.7
Non-catastrophe property losses	13.7 pts	17.9	14.8	12.6	12.9	15.8	12.8
Direct new business	\$ 137.2	128.1	117.6	131.1	136.1	265.3	260.8

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD COMMERCIAL LINES STATEMENT OF OPERATIONS AND SUPPLEMENTAL DATA (Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions)							
Underwriting results							
Net premiums written	\$ 514.9	509.1	424.2	472.1	478.9	1,024.0	962.5
Change in net premiums written, from comparable prior year period	8 %	5	8	5	7	6	6
Net premiums earned	\$ 476.0	465.4	461.2	445.3	443.6	941.4	882.0
Losses and loss expenses incurred	273.9	293.5	258.8	254.9	252.9	567.4	494.4
Net underwriting expenses incurred	159.5	162.6	163.8	154.0	154.0	322.1	308.4
Dividends to policyholders	1.6	2.4	1.8	1.0	1.9	4.0	1.8
GAAP underwriting gain	\$ 41.0	6.8	36.9	35.3	34.8	47.8	77.3
Catastrophe losses	\$ 10.1	19.8	1.9	14.3	17.0	29.9	23.9
(Favorable) prior year casualty reserve development	(10.0)	(8.0)	(13.0)	(19.9)	(17.3)	(18.0)	(33.7)
Underwriting ratios							
Loss and loss expense ratio	57.6 %	63.0	56.1	57.3	57.1	60.3	56.0
Underwriting expense ratio	33.5	35.0	35.5	34.6	34.7	34.2	35.0
Dividends to policyholders ratio	0.3	0.5	0.4	0.2	0.4	0.4	0.2
Combined ratio	91.4 %	98.5	92.0	92.1	92.2	94.9	91.2
Catastrophe losses	2.1 pts	4.3	0.4	3.2	3.8	3.2	2.7
(Favorable) prior year casualty reserve development	(2.1) pts	(1.7)	(2.8)	(4.5)	(3.9)	(1.9)	(3.8)
Combined ratio before catastrophe losses	89.3 %	94.2	91.6	88.9	88.4	91.7	88.5
Combined ratio before catastrophe losses and prior year casualty development	91.4	95.9	94.4	93.4	92.3	93.6	92.3
Other Statistics							
Non-catastrophe property losses	\$ 57.0	70.8	57.9	49.1	48.2	127.8	98.0
Non-catastrophe property losses	12.0 pts	15.2	12.5	11.0	10.9	13.6	11.1
Direct new business	\$ 101.1	97.9	83.8	96.9	98.0	199	187.5
Renewal pure price increases	3.5 %	3.2	2.9	2.7	3.1	3.4	3.1
Retention	84 %	85	84	85	83	84	83

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD COMMERCIAL LINES GAAP LINE OF BUSINESS RESULTS (Unaudited)

(\$ in millions)	Quarter Ended June 30, 2018								Quarter Ended June 30, 2017							
	Commercial Property	Workers Compensation	General Liability	Commercial Auto	BOP	Bonds	Other	Total	Commercial Property	Workers Compensation	General Liability	Commercial Auto	BOP	Bonds	Other	Total
Net premiums written	\$ 88.4	82.0	170.4	134.1	26.0	9.6	4.6	514.9	82.0	81.4	158.7	119.1	25.1	8.4	4.3	478.9
Net premiums earned	82.2	80.0	153.0	122.1	25.8	8.3	4.6	476.0	78.1	79.5	141.5	108.3	25.0	7.0	4.3	443.6
Loss and loss expense ratio	50.1 %	45.7	55.1	76.8	65.4	13.8	(0.2)	57.6	64.0	49.9	44.7	82.9	43.8	(11.3)	(0.3)	57.1
Underwriting expense ratio	37.6	25.6	34.5	31.9	36.5	54.4	53.2	33.5	38.0	26.8	36.4	33.0	36.9	61.5	55.2	34.7
Dividend ratio	0.2	1.5	0.1	0.1	—	—	—	0.3	0.1	2.2	—	0.1	—	—	—	0.4
Combined ratio	87.9%	72.8	89.7	108.8	101.9	68.2	53.0	91.4	102.1	78.9	81.1	116.0	80.7	50.2	54.9	92.2
Underwriting gain (loss)	\$ 9.9	21.8	15.8	(10.8)	(0.5)	2.6	2.1	41.0	(1.6)	16.7	26.8	(17.4)	4.8	3.5	1.9	34.8

(\$ in millions)	Year-to-Date June 30, 2018								Year-to-Date June 30, 2017							
	Commercial Property	Workers Compensation	General Liability	Commercial Auto	BOP	Bonds	Other	Total	Commercial Property	Workers Compensation	General Liability	Commercial Auto	BOP	Bonds	Other	Total
Net premiums written	\$ 173.6	170.9	334.9	263.9	52.7	18.4	9.6	1,024.0	162.5	173.2	313.9	236.4	51.3	16.2	9.0	962.5
Net premiums earned	162.5	158.8	302.8	240.3	51.4	16.5	9.0	941.4	154.4	158.8	281.5	215.4	49.8	13.5	8.5	882.0
Loss and loss expense ratio	63.4 %	46.7	55.3	77.3	67.5	13.7	(0.3)	60.3	56.4	59.3	42.0	78.5	50.5	2.6	(0.1)	56.0
Underwriting expense ratio	37.8	27.4	34.8	32.5	36.4	58.5	56.1	34.2	37.9	27.8	36.3	33.4	37.6	61.1	56.5	35.0
Dividend ratio	0.3	1.8	0.1	0.2	—	—	—	0.4	(0.2)	1.6	(0.1)	(0.1)	—	—	—	0.2
Combined ratio	101.5%	75.9	90.2	110.0	103.9	72.2	55.8	94.9	94.1	88.7	78.2	111.8	88.1	63.7	56.4	91.2
Underwriting (loss) gain	\$ (2.5)	38.2	29.7	(24.1)	(2.0)	4.6	4.0	47.8	9.1	17.9	61.3	(25.5)	5.9	4.9	3.7	77.3

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD PERSONAL LINES STATEMENT OF OPERATIONS AND SUPPLEMENTAL DATA (Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions)							
Underwriting results							
Net premiums written	\$ 83.9	67.9	72.8	81.2	78.1	151.8	142.8
Change in net premiums written, from comparable prior year period	7 %	5	7	7	3	6	4
Net premiums earned	\$ 75.7	74.3	74.2	72.6	71.7	149.9	142.9
Losses and loss expenses incurred	49.3	55.4	48.2	42.1	54.7	104.7	99.0
Net underwriting expenses incurred	21.6	20.3	22.5	22.3	22.7	41.9	44.5
GAAP underwriting gain (loss)	\$ 4.8	(1.5)	3.6	8.2	(5.8)	3.3	(0.7)
Catastrophe losses	\$ 5.8	6.8	0.7	2.2	9.4	12.7	13.3
Unfavorable prior year casualty reserve development	—	—	3.0	—	3.0	—	5.0
Underwriting ratios							
Loss and loss expense ratio	65.1 %	74.6	64.9	58.0	76.3	69.8	69.3
Underwriting expense ratio	28.6	27.4	30.3	30.7	31.7	28.0	31.2
Combined ratio	93.7 %	102.0	95.2	88.7	108.0	97.8	100.5
Catastrophe losses	7.7 pts	9.2	1.0	3.0	13.0	8.4	9.3
Unfavorable prior year casualty reserve development	— pts	—	4.0	—	4.2	—	3.5
Combined ratio before catastrophe losses	86.0 %	92.8	94.2	85.7	95.0	89.4	91.2
Combined ratio before catastrophe losses and prior year casualty development	86.0	92.8	90.2	85.7	90.8	89.4	87.7
Other Statistics							
Non-catastrophe property losses	\$ 19.8	25.6	20.8	19.1	20.0	45.5	36.4
Non-catastrophe property losses	26.2 pts	34.5	28.0	26.3	27.9	30.3	25.4
Direct new business	\$ 15.9	11.8	12.7	13.6	13.2	27.7	24.6
Renewal pure price increases	3.4 %	3.8	3.7	3.1	2.6	3.6	2.7
Retention	85 %	85	84	84	84	85	84

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD PERSONAL LINES GAAP LINE OF BUSINESS RESULTS (Unaudited)

	Quarter Ended June 30, 2018				Quarter Ended June 30, 2017			
	Personal				Personal			
(\$ in millions)	Auto	Homeowners	Other	Total	Auto	Homeowners	Other	Total
Net premiums written	\$ 46.7	35.4	1.9	83.9	41.1	35.1	1.9	78.1
Net premiums earned	41.8	32.2	1.6	75.7	37.7	32.5	1.5	71.7
Loss and loss expense ratio	70.4%	60.9	13.0	65.1	78.4	75.0	55.5	76.3
Underwriting expense ratio	31.1	33.5	(133.2)	28.6	35.2	35.9	(142.5)	31.7
Combined ratio	101.5%	94.4	(120.2)	93.7	113.6	110.9	(87.0)	108.0
Underwriting (loss) gain	\$ (0.6)	1.8	3.6	4.8	(5.1)	(3.5)	2.9	(5.8)

	Year-to-Date June 30, 2018				Year-to-Date June 30, 2017			
	Personal				Personal			
(\$ in millions)	Auto	Homeowners	Other	Total	Auto	Homeowners	Other	Total
Net premiums written	\$ 86.8	61.7	3.4	151.8	77.8	61.6	3.4	142.8
Net premiums earned	82.3	64.4	3.3	149.9	74.6	65.2	3.1	142.9
Loss and loss expense ratio	71.0%	71.1	13.1	69.8	77.6	61.0	42.9	69.3
Underwriting expense ratio	33.0	31.8	(173.1)	28.0	36.1	35.6	(180.2)	31.2
Combined ratio	104.0%	102.9	(160.0)	97.8	113.7	96.6	(137.3)	100.5
Underwriting (loss) gain	\$ (3.3)	(1.9)	8.5	3.3	(10.2)	2.2	7.3	(0.7)

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

EXCESS AND SURPLUS LINES STATEMENT OF OPERATIONS AND SUPPLEMENTAL DATA (Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions)							
Underwriting results							
Net premiums written	\$ 56.4	47.6	56.9	51.0	56.8	104.0	107.2
Change in net premiums written, from comparable prior year period	(1) %	(6)	4	(4)	6	(3)	5
Net premiums earned	\$ 53.1	52.2	54.6	54.2	52.8	105.4	104.0
Losses and loss expenses incurred	43.1	36.0	34.5	47.6	34.0	79.1	65.6
Net underwriting expenses incurred	17.8	16.8	18.3	17.7	17.5	34.6	35.5
GAAP underwriting (loss) gain	\$ (7.8)	(0.6)	1.9	(11.1)	1.3	(8.4)	2.9
Catastrophe losses	\$ 2.8	(0.6)	(0.6)	7.3	3.0	2.2	4.4
Unfavorable prior year casualty reserve development	6.0	—	—	10.0	—	6.0	—
Underwriting ratios							
Loss and loss expense ratio	81.2 %	69.0	63.0	87.8	64.4	75.1	63.0
Underwriting expense ratio	33.5	32.1	33.5	32.6	33.1	32.8	34.2
Combined ratio	114.7 %	101.1	96.5	120.4	97.5	107.9	97.2
Catastrophe losses	5.3 pts	(1.2)	(1.0)	13.5	5.7	2.1	4.2
Unfavorable prior year casualty reserve development	11.3 pts	—	—	18.4	—	5.7	—
Combined ratio before catastrophe losses	109.4 %	102.3	97.5	106.9	91.8	105.8	93.0
Combined ratio before catastrophe losses and prior year casualty development	98.1	102.3	97.5	88.5	91.8	100.1	93.0
Other Statistics							
Non-catastrophe property losses	\$ 6.1	9.3	8.5	3.7	5.1	15.4	10.4
Non-catastrophe property losses	11.5 pts	17.8	15.5	6.8	9.7	14.6	10.0
Direct new business	\$ 20.3	18.3	21.2	20.6	24.9	38.5	48.7
Casualty new/renewal price increases	5.9 %	7.8	5.2	5.4	5.8	6.5	8.1

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

EXCESS & SURPLUS LINES GAAP LINE OF BUSINESS RESULTS (Unaudited)

(\$ in millions)	Quarter Ended June 30, 2018			Quarter Ended June 30, 2017		
	Casualty	Property	Total	Casualty	Property	Total
Net premiums written	\$ 41.9	14.5	56.4	41.8	15.0	56.8
Net premiums earned	39.4	13.8	53.1	39.1	13.7	52.8
Loss and loss expense ratio	85.4 %	69.2	81.2	63.9	65.6	64.4
Underwriting expense ratio	33.5	33.4	33.5	32.7	34.4	33.1
Combined ratio	118.9%	102.6	114.7	96.6	100.0	97.5
Underwriting (loss) gain	\$ (7.4)	(0.4)	(7.8)	1.3	—	1.3

(\$ in millions)	Year-to-Date June 30, 2018			Year-to-Date June 30, 2017		
	Casualty	Property	Total	Casualty	Property	Total
Net premiums written	\$ 76.6	27.4	104.0	78.7	28.5	107.2
Net premiums earned	77.9	27.4	105.4	77.0	27.0	104.0
Loss and loss expense ratio	77.5 %	68.3	75.1	63.8	60.9	63.0
Underwriting expense ratio	32.6	33.5	32.8	33.7	35.6	34.2
Combined ratio	110.1%	101.8	107.9	97.5	96.5	97.2
Underwriting (loss) gain	\$ (7.8)	(0.5)	(8.4)	1.9	1.0	2.9

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED INVESTMENT INCOME (Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions)							
Net investment income							
Fixed income securities							
Taxable	\$ 34.9	32.4	29.6	29.1	28.4	67.3	55.8
Tax-exempt	8.9	9.6	10.2	9.8	9.3	18.5	18.7
Total fixed income securities	43.8	42.0	39.8	38.9	37.7	85.8	74.6
Equity securities	1.8	2.0	2.0	1.6	1.4	3.8	2.9
Other investments	2.1	1.6	3.4	2.7	5.2	3.7	6.8
Short-term investments	0.6	0.5	0.5	0.4	0.4	1.1	0.6
Investment income	48.3	46.1	45.6	43.5	44.7	94.4	84.9
Investment expenses	(2.7)	(2.9)	(3.1)	(3.1)	(3.3)	(5.6)	(6.1)
Investment tax expense	(8.0)	(7.4)	(11.4)	(10.9)	(11.1)	(15.4)	(21.1)
Total net investment income, after-tax	\$ 37.6	35.8	31.2	29.6	30.3	73.4	57.8
Net realized and unrealized capital (losses) gains							
Fixed income securities	\$ (1.2)	(3.3)	0.4	2.0	2.6	(4.5)	4.6
Equity securities	1.2	8.0	(0.6)	4.9	0.3	9.3	0.4
Short-term investments	—	—	—	—	—	—	—
Other investments	—	—	(0.8)	—	—	—	0.5
Realized net gains (losses) on the disposal of securities	—	4.7	(1.0)	6.9	3.0	4.8	5.4
Other-than-temporary impairment losses	(2.8)	(1.2)	(0.1)	(0.1)	(1.2)	(4.0)	(4.7)
Unrealized gains (losses) on equity securities	1.1	(14.1)	—	—	—	(13.0)	—
Total net realized and unrealized capital (losses) gains recognized in net income, before-tax	\$ (1.7)	(10.5)	(1.1)	6.8	1.7	(12.2)	0.7
Change in unrealized (losses) gains recognized in other comprehensive income, before-tax	\$ (21.1)	(80.8)	(11.3)	10.0	34.0	(101.9)	61.2
Average investment yields							
Fixed income securities, before-tax	3.4 %	3.2	3.1	3.0	3.0	3.3	3.0
Fixed income securities, after-tax	2.8	2.7	2.2	2.2	2.2	2.7	2.2
Total portfolio, before-tax	3.2 %	3.0	3.0	2.9	3.0	3.1	2.9
Total portfolio, after-tax	2.7	2.5	2.2	2.1	2.2	2.6	2.1
Effective tax rate on net investment income	17.5 %	17.2	26.8	26.8	26.9	17.4	26.8
New money purchase rates for fixed income securities, before-tax	3.8	3.3	2.9	3.2	3.0	3.5	3.1
New money purchase rates for fixed income securities, after-tax	3.0	2.6	2.1	2.3	2.2	2.5	2.1
Effective duration of fixed income portfolio including short-term (in years)	3.9	3.8	3.7	3.6	3.7	3.9	3.7

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED COMPOSITION OF INVESTED ASSETS

(Unaudited)

(\$ in millions)	June 30, 2018			Mar. 31, 2018			Dec. 31, 2017			Sept. 30, 2017			June 30, 2017		
	Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent	
Fixed income securities, at fair value	\$ 5,181.0	92	%	5,184.9	92		5,206.6	92		5,201.1	91		5,094.3	93	
Equity securities, at fair value	176.6	3		168.8	3		182.7	3		175.3	3		161.7	3	
Other investments	145.2	2		143.6	2		132.3	2		120.8	2		116.4	2	
Short-term investments	164.1	3		183.0	3		165.6	3		216.3	4		133.7	2	
Total investments	\$ 5,666.9	100	%	5,680.3	100		5,687.1	100		5,713.6	100		5,506.1	100	
Fixed income portfolio, at carry value															
U.S. government obligations	\$ 38.9	1	%	50.9	1		49.7	1		59.6	1		68.0	1	
Foreign government obligations	18.0	—		18.2	—		18.6	—		18.8	—		18.7	—	
Obligations of state and political subdivisions	1,276.2	25		1,343.3	26		1,608.2	31		1,526.6	29		1,458.7	29	
Corporate securities	1,634.0	31		1,638.2	32		1,634.4	31		1,812.1	35		1,840.1	36	
Collateralized loan obligations and other asset-backed securities	771.6	15		794.5	15		795.5	15		754.0	15		702.5	14	
Residential mortgage-backed securities	989.4	19		911.5	18		714.9	14		719.2	14		724.0	14	
Commercial mortgage-backed securities	451.6	9		426.6	8		383.4	7		308.1	6		279.2	6	
Total fixed income securities	\$ 5,179.7	100	%	5,183.2	100		5,204.7	100		5,198.4	100		5,091.2	100	
Weighted average credit quality															
Investment grade credit quality	\$ 5,037.3	97	%	5,033.1	97		5,055.6	97		5,047.1	97		4,944.2	97	
Non-investment grade credit quality	143.7	3		151.8	3		151.0	3		154.0	3		150.1	3	
Total fixed income securities, at fair value	\$ 5,181.0	100	%	5,184.9	100		5,206.6	100		5,201.1	100		5,094.3	100	
Weighted average credit quality of fixed income portfolio	AA-			AA-			AA-			AA-			AA-		
Expected maturities of fixed income securities at carry value															
Due in one year or less	\$ 194.4	4	%	242.8	5		326.9	6		364.9	7		341.0	7	
Due after one year through five years	2,061.8	40		1,958.7	38		2,122.6	41		2,178.3	42		2,124.7	42	
Due after five years through 10 years	2,740.0	53		2,745.7	53		2,518.4	48		2,386.0	46		2,388.0	47	
Due after 10 years	183.5	3		236.0	5		236.8	5		269.3	5		237.6	5	
Total fixed income securities	\$ 5,179.7	100	%	5,183.2	100		5,204.7	100		5,198.4	100		5,091.2	100	

Alternative investments

Strategy	June 30, 2018			
	Number of Funds	Original Commitment	Remaining Commitment	Current Market Value
Private equity	31	\$ 224.8	110.8	59.7
Private credit	13	172.2	89.8	40.9
Real assets	10	111.0	36.6	23.4
Total	54	\$ 508.0	237.2	124.0

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

RECONCILIATION OF NET INCOME TO NON-GAAP OPERATING INCOME AND CERTAIN OTHER NON-GAAP MEASURES

(Unaudited)

	Quarter ended					Year-to-date	
	June 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017
(\$ in millions, except per share data)							
Reconciliation of net income to non-GAAP operating income							
Net income	\$ 58.8	18.9	30.2	46.7	41.4	77.7	91.9
Net realized losses (gains) and OTTI*	2.8	(3.5)	1.1	(6.8)	(1.7)	(0.8)	(0.7)
Net unrealized (gains) losses recognized in income on equity securities*	(1.1)	14.1	—	—	—	13.0	—
Net realized (gains) losses, OTTI, and unrealized (gains) losses*	1.7	10.5	1.1	(6.8)	(1.7)	12.2	(0.7)
Tax expense (benefit)	(0.3)	(2.2)	(0.3)	2.4	0.6	(2.6)	0.2
Tax reform impact - deferred tax write-off	—	—	20.2	—	—	—	—
Non-GAAP operating income	\$ 60.1	27.3	51.2	42.3	40.3	87.4	91.4
Reconciliation of net income per diluted share to non-GAAP operating income per diluted share							
Net income per diluted share	\$ 0.99	0.32	0.51	0.79	0.70	1.30	1.55
Net realized losses (gains) and OTTI*	0.05	(0.06)	0.02	(0.11)	(0.03)	(0.01)	(0.01)
Net unrealized (gains) losses recognized in income on equity securities*	(0.02)	0.24	—	—	—	0.21	—
Net realized (gains) losses, OTTI, and unrealized (gains) losses*	0.03	0.18	0.02	(0.11)	(0.03)	0.20	(0.01)
Tax expense (benefit)	(0.01)	(0.04)	(0.01)	0.04	0.01	(0.04)	—
Tax reform impact - deferred tax write-off	—	—	0.34	—	—	—	—
Non-GAAP operating income per diluted share	\$ 1.01	0.46	0.86	0.72	0.68	1.46	1.54
Reconciliation of annualized ROE to annualized non-GAAP operating ROE							
Annualized ROE	14.0 %	4.5	7.1	11.2	10.2	9.1	11.5
Net realized losses (gains) and OTTI*	0.7	(0.8)	0.3	(1.6)	(0.4)	(0.1)	(0.1)
Net unrealized (gains) losses recognized in income on equity securities*	(0.3)	3.3	—	—	—	1.5	—
Net realized (gains) losses, OTTI, and unrealized (gains) losses*	0.4	2.5	0.3	(1.6)	(0.4)	1.4	(0.1)
Tax expense (benefit)	(0.1)	(0.5)	(0.1)	0.5	0.1	(0.3)	0.1
Tax reform impact - deferred tax write-off	—	—	4.7	—	—	—	—
Annualized non-GAAP operating ROE	14.3 %	6.5	12.0	10.1	9.9	10.2	11.5

Non-GAAP operating income, non-GAAP operating income per diluted share, and non-GAAP operating return on average equity differ from net income, income per share, and return on equity, respectively, by the exclusion of after-tax net realized and unrealized gains and losses on investments, if any, and the deferred tax write-off that was recognized in 2017 in relation to tax reform. They are used as important financial measures by management, analysts, and investors, because the realization of investment gains and losses on sales of securities in any given period is largely discretionary as to timing. In addition, these net realized investment gains and losses, the deferred tax write-off, as well as other-than-temporary investment impairments that are charged to earnings, and unrealized gains and losses on equity securities, could distort the analysis of trends. These operating measurements are not intended as a substitute for net income, income per share, or return on equity prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of net income, income per share, and return on equity to non-GAAP operating income, non-GAAP operating income per diluted share, and non-GAAP operating return on average equity, respectively, are provided in the tables above.

* Refer to Page 2 for components of realized and unrealized investment losses and gains.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

RATINGS AND CONTACT INFORMATION

Address:

40 Wantage Avenue
Branchville, NJ 07890

Corporate Website:

www.Selective.com

As of June 30, 2018

	A.M. Best	Standard & Poor's	Moody's	Fitch
<i>Financial Strength Ratings:</i>	A	A	A2	A+
<i>Long-Term Debt Credit Rating:</i>	bbb+	BBB	Baa2	BBB+

Investor Contact:

Rohan Pai
Senior Vice President
Investor Relations & Treasurer
Phone: 973-948-1364
Rohan.Pai@Selective.com

REGISTRAR AND TRANSFER AGENT

EQ Shareowner Services
P.O. Box 64854
St. Paul, MN 55164
866-877-6351

Media Contact:

Jamie M. Beal
Vice President
Director of Communications
Phone: 973-948-1234
Jamie.Beal@Selective.com