SELECTIVE INSURANCE GROUP, INC.

February 14, 2018

2018 Bank of America Merrill Lynch Insurance Conference

SELECTIVE®

SAFE HARBOR STATEMENT

In this presentation, we make certain statements and reference other information that are “forward-looking statements” as 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 that relate to our intentions, beliefs, projections, estimations, or forecasts of future events or our future financial performance. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may result in materially differing actual results. We can give no assurance that our expectations expressed in forward-looking statements will prove to be correct.

Factors that could cause our actual results to differ materially from those projected, forecasted, or estimated by us in forward-looking statements are discussed in further detail in Selective’s public filings with the United States Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements – whether as a result of new information, future events or otherwise – other than as the federal securities laws may require.

This presentation also includes certain non-GAAP financial measures within the meaning of Regulation G, including “non-GAAP operating earnings per share,” “non-GAAP operating income,” and “non-GAAP operating return on equity.” Definitions of these non-GAAP measures and a reconciliation to the most comparable GAAP figures pursuant to Regulation G are available in our Annual Report on Form 10-K and our Supplemental Investor Package, which can be found on our website <www.selective.com> under “Investors/Reports, Earnings and Presentations.” We believe investors and other interested persons find these measurements beneficial and useful. We have consistently provided these financial measurements in previous investor communications so they have a consistent basis for comparing our results between quarters and with our industry competitors. These non-GAAP measures, however, may not be comparable to similarly titled measures used outside of the insurance industry. Investors are cautioned not to place undue reliance on these non-GAAP measures in assessing our overall financial performance.

STRATEGIC OVERVIEW

Greg Murphy

Chairman and Chief Executive Officer

A SUPER-REGIONAL COMPANY WITH NATIONAL CAPABILITIES

25 state footprint ➡ significant expansion plans

$3.4B Market Cap (as of 2/12/17)

90+ years of financial strength and superior execution

93.3% GAAP Combined Ratio

$2.4B NPW (up 6% Y/Y)

$119M A/T investment income (up 20% Y/Y)

2017 non-GAAP operating ROE of 11.4% – in line with long-term target of 300 bps over WACC

OUR SUSTAINABLE COMPETITIVE ADVANTAGES

True franchise value with "ivy league" distribution partners	▪ Enables effective management of pricing and retention ▪ Increase share of wallet and new agent appointments ▪ Agent overall satisfaction rating of 8.8/10
Unique field model enabled by sophisticated tools and technology	▪ Locally-based underwriting, claims, and safety management specialists ▪ Agile capability and excellent data analytics
Superior customer experience delivered by best-in-class employees	▪ Customer-centricity has been the centerpiece of our strategy ▪ Developing holistic solution for 24-hour omni-channel shared experience
Above-average operating leverage enhances ROEs	▪ Each full point on CR = 110 basis points of non-GAAP operating ROE* ▪ Investments to stockholders' equity ratio of 3.32 suggests ~800 basis points of non-GAAP operating ROE*

* Refer to "Safe Harbor Statement" on page 2 of this presentation for further detail regarding certain non-GAAP financial measures.

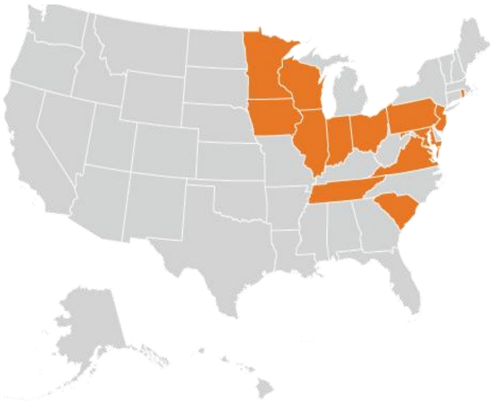
TRUE FRANCHISE VALUE WITH DISTRIBUTION PARTNERS

Standard Commercial
(78% of 2017 NPW)

25 States

1,250 distribution partners

Standard Personal
(13% of 2017 NPW)



13 States

700 distribution partners

E&S
(9% of 2017 NPW)

All **50** States

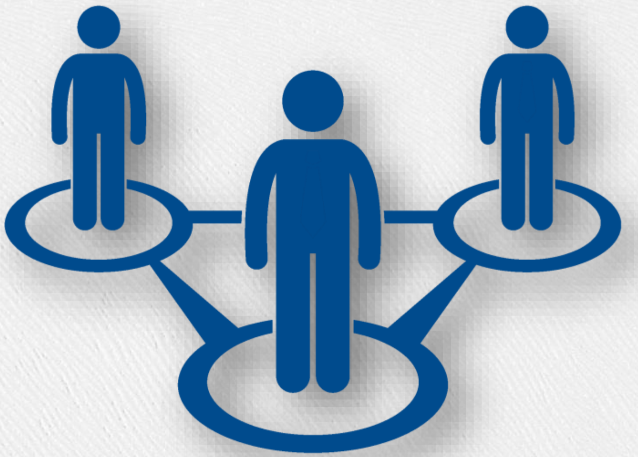
85 wholesale distribution partners

UNIQUE UNDERWRITING FIELD MODEL ENABLED BY SOPHISTICATED TOOLS AND TECHNOLOGY

- Empowered field underwriting model
- Local decision making supported by centralized expertise
- Armed with sophisticated underwriting and claims tools
- Focused on delivering best-in-class customer service

The cornerstone of our “High-tech, High-touch” business strategy

DELIVER A SUPERIOR OMNI-CHANNEL CUSTOMER EXPERIENCE

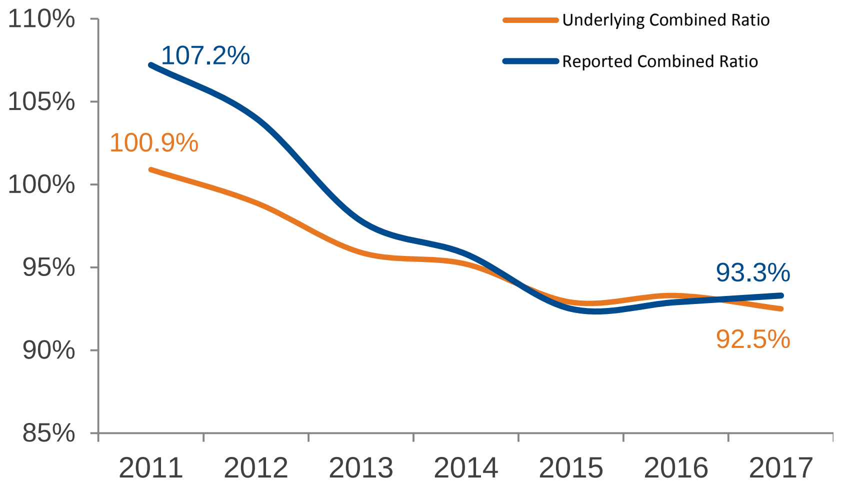


- Changing expectations from customers, and potential disruptive threats from traditional and non-traditional competitors
- Partnering with agents to invest in joint strategies to provide a seamless customer experience
- Eliminating customer friction points, and build-out of customized, proactive messaging
- Identifying value-added services to increase switching costs

Customer-centricity is core to who we are as a company

2017: EXCELLENT OPERATING PERFORMANCE

GAAP Combined Ratios



- 2017 pure written price increases by segment:
  - Commercial Lines – 2.9%
  - Personal Lines – 3.0%
  - E&S – 5.0%
- Expected claim inflation of ~3.0%
- Underwriting and claim improvement
- Focus on lowering expense ratio

Underlying* GAAP Combined Ratios

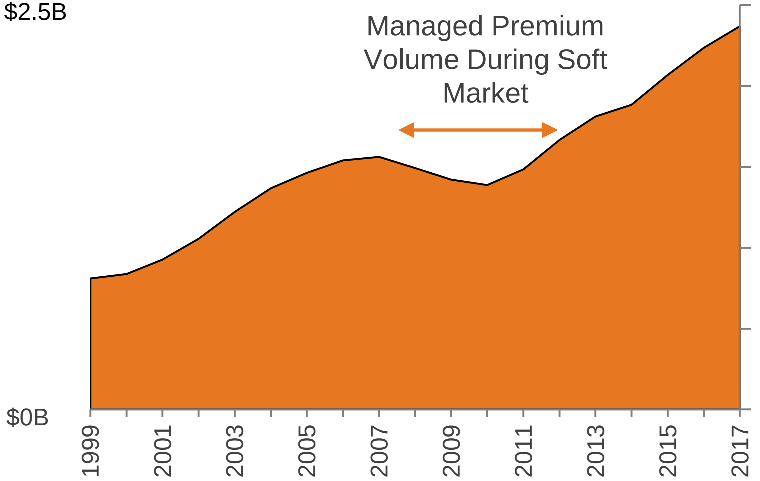
2016	2017	Improvement
93.3%	**92.5%**	**0.8 pts**

**Underlying GAAP combined ratio excludes catastrophe losses and prior year casualty reserve development*

2018 forecast of a 91.0% underlying GAAP combined ratio

LONG HISTORY OF DISCIPLINED & PROFITABLE GROWTH

Historical Net Premiums Written



COMMERCIAL LINES GROWTH DRIVERS:

- Growing share of wallet to 12% with existing distribution partners
- New appointments to represent 25% share in existing markets
- Geo-expansion (3 new states)
- New products and M&A

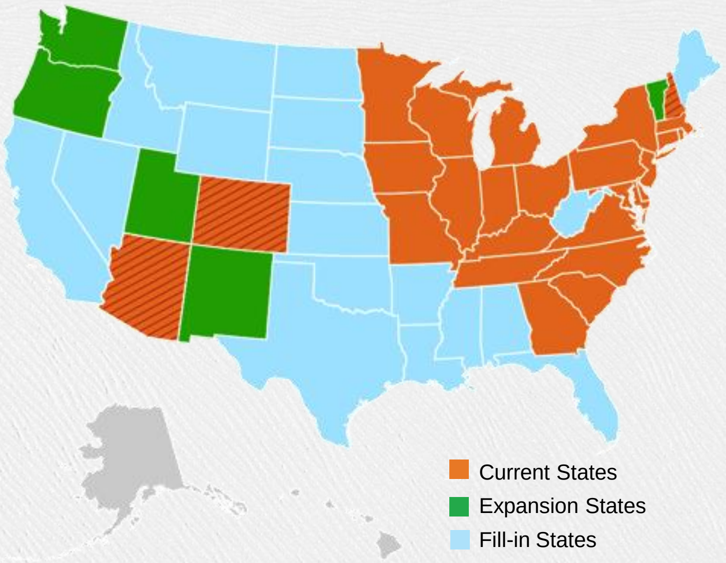
Combined opportunity at 3% market share implies potential company profile in excess of $4B of NPW

Lower Risk

Higher Risk

Successful track record of cycle management and profitable growth

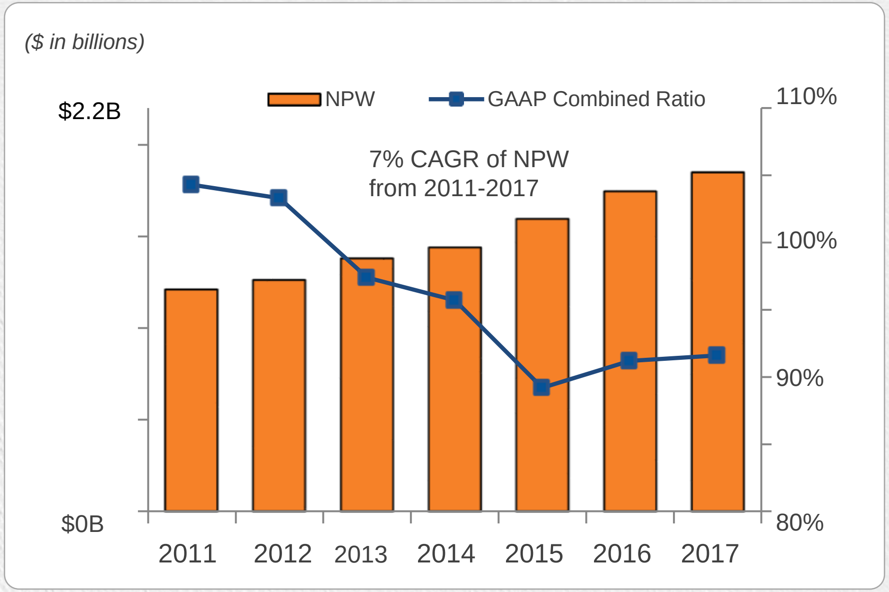
COMMERCIAL LINES GEO-EXPANSION ENHANCES GROWTH OPPORTUNITIES



- Diversification and spread of risk
  - Targeting 30 fully operational states
  - Remainder to support multi-state accounts
- Leverage existing Selective leaders and hire local underwriters who know the market and agencies
- Successful start in AZ and NH in 2017; CO in January 2018
- UT and NM on target for later this year

A well-thought out and disciplined approach to geo-expansion

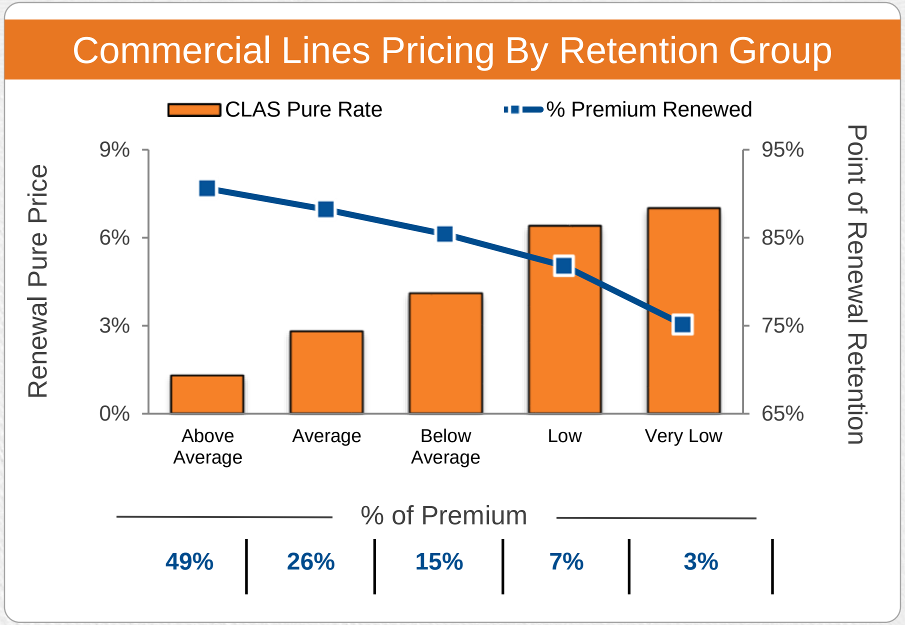
STANDARD COMMERCIAL (78% OF BUSINESS): A PROFIT ENGINE



- Focused on disciplined and profitable growth
- Drivers of profitability are:
  - Price increases ≥ expected claim inflation
  - Underwriting mix improvement
  - Enhanced claims outcomes
  - Expense management

Selective has the right tools, technology, and team in place to continue driving profitable growth in Standard Commercial Lines

A PORTFOLIO APPROACH TO UNDERWRITING

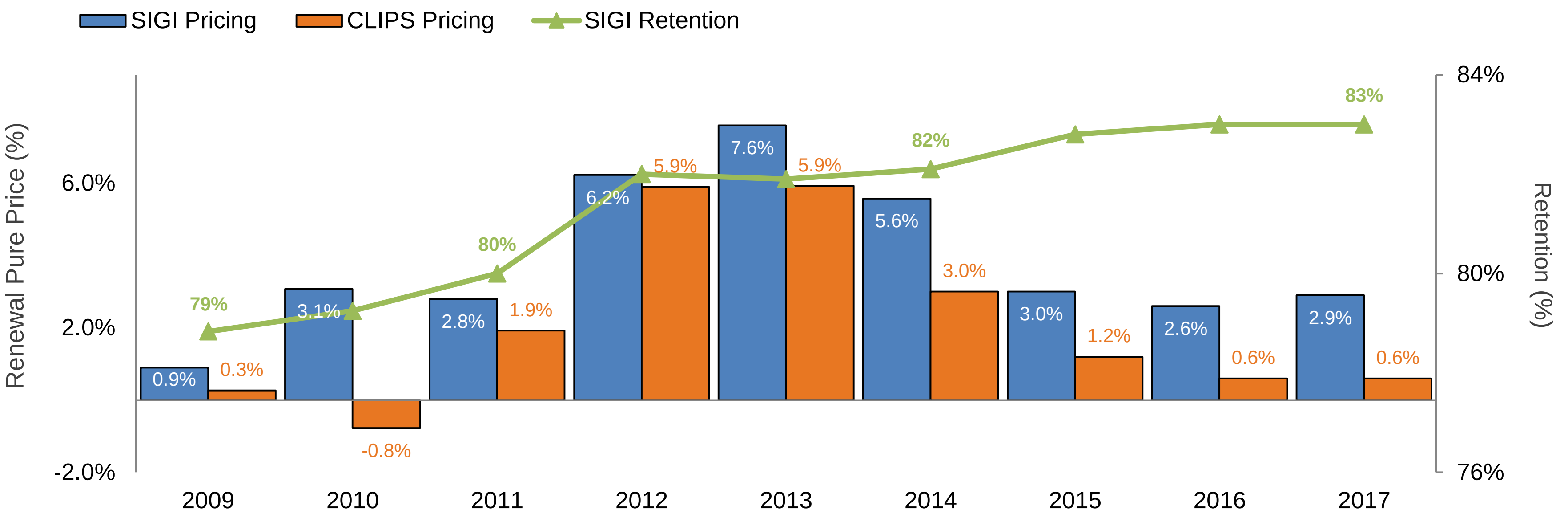


*May not foot due to rounding

- Portfolio management approach yields higher retention and rate
- Granular and account-specific pricing including:
  - Predictive modeling
  - Relative loss frequency and severity
  - Pricing deviation
  - Hazard and segment consideration

Strong focus on developing tools and technologies that enable more efficient decision making

SOPHISTICATED TOOLS AND ACTIONABLE DATA

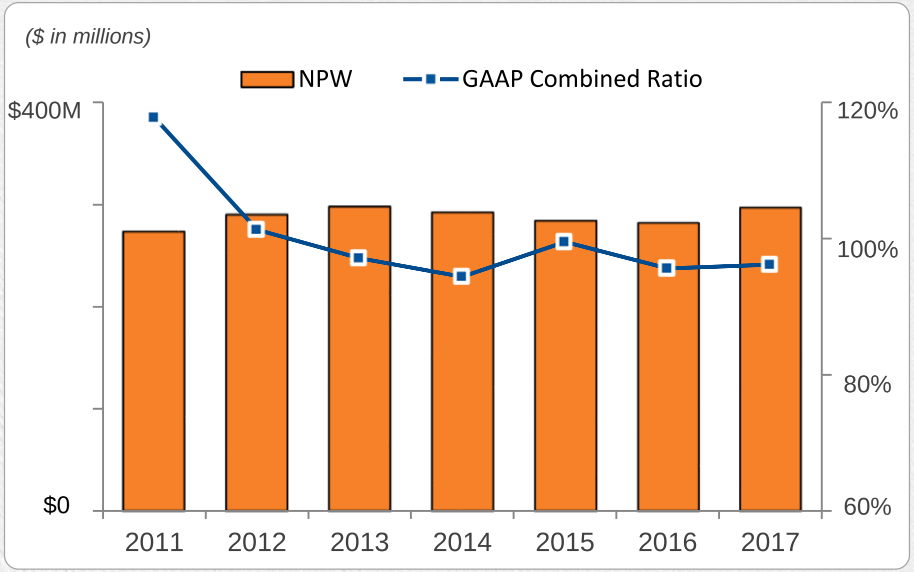


CLIPS: Willis Towers Watson Commercial Lines Insurance Pricing Survey

Price change for 2017 is as of first nine months for CLIPS and full year 2017 for Selective

January 2018 Commercial Lines renewal pure price increase averaged 2.8%

STANDARD PERSONAL LINES (13% OF BUSINESS)



HOMEOWNERS (88.2% combined ratio in 2017)

- Target of 90% combined ratio in normal CAT year (14 points)
- Continue to diversify writings across footprint

PERSONAL AUTO (112.8% combined ratio in 2017)

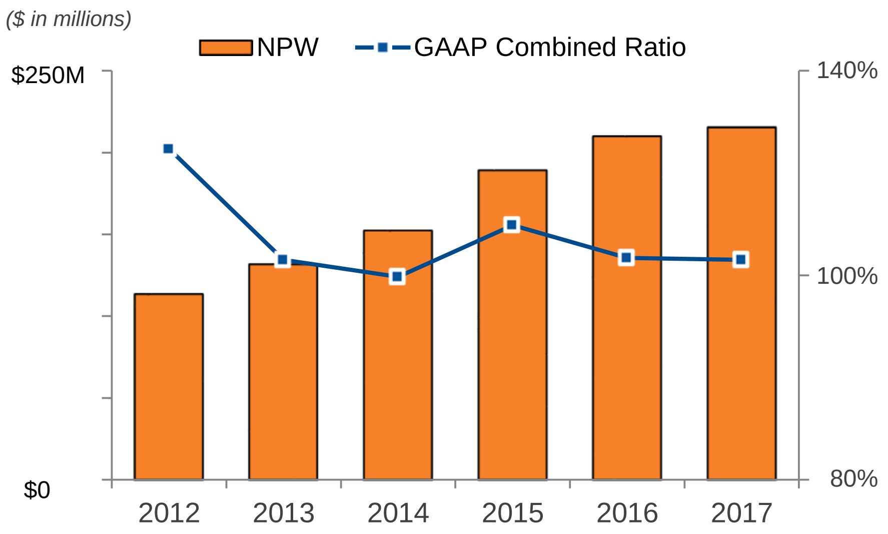
- Firmer pricing, although claim trends remain elevated
- Expense improvements to continue

FLOOD

- Fifth largest “Write Your Own” flood participant; a partial hedge for catastrophe losses

Firmer auto insurance pricing environment is resulting in more growth opportunities

EXCESS & SURPLUS (9% OF BUSINESS)



- Focus on target combined ratio – top-line changes will be based on market conditions
- Targeted price increases being implemented to drive profitability
- Claims outcome improvements
- Our E&S business has a lower-risk profile:
  - Average policy size below $3K
  - 98% of policies within $1M limit

Long-term goal is for consistent target margins

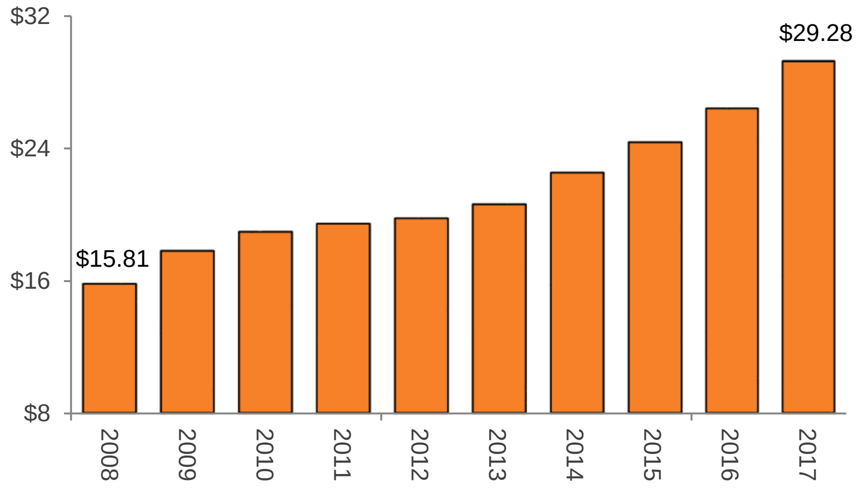
FINANCIAL OVERVIEW

Mark Wilcox

EVP, Chief Financial Officer

A FOCUS ON NON-GAAP OPERATING ROE* AND GROWTH IN BOOK VALUE PER SHARE

Historical Book Value per Share Growth



Meeting long-term financial target for a non-GAAP operating ROE* of 300 basis points above our WACC

Superior growth in book value per share

Higher total shareholder returns over time

* Refer to "Safe Harbor Statement" on page 2 of this presentation for further detail regarding certain non-GAAP financial measures.

Strong track record of book value per share growth and shareholder value creation

LOWER RISK PROFILE AND STRONG FINANCIAL STRENGTH

A Lower Risk Profile

- Focused on low- to medium-hazard business
- Strong balance sheet underpinned by a conservative approach to:
  - Managing the investment portfolio
  - Purchasing reinsurance protection
  - Reserving
- Our conservative approach enables greater operating leverage with a NPW/surplus ratio of 1.4x
- Each full point on the combined ratio = ~110 basis points of ROE
- Each full point of P/T book yield = ~275 basis points of ROE

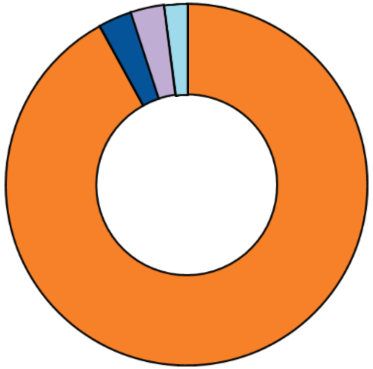
	A.M. Best	S&P	Moody's	Fitch
Strong financial strength ratings	**A**	**A**	**A2**	**A+**

CONSERVATIVE INVESTMENT PORTFOLIO

Investment Portfolio Breakdown as of 12/31/17

$5.7B of Investments

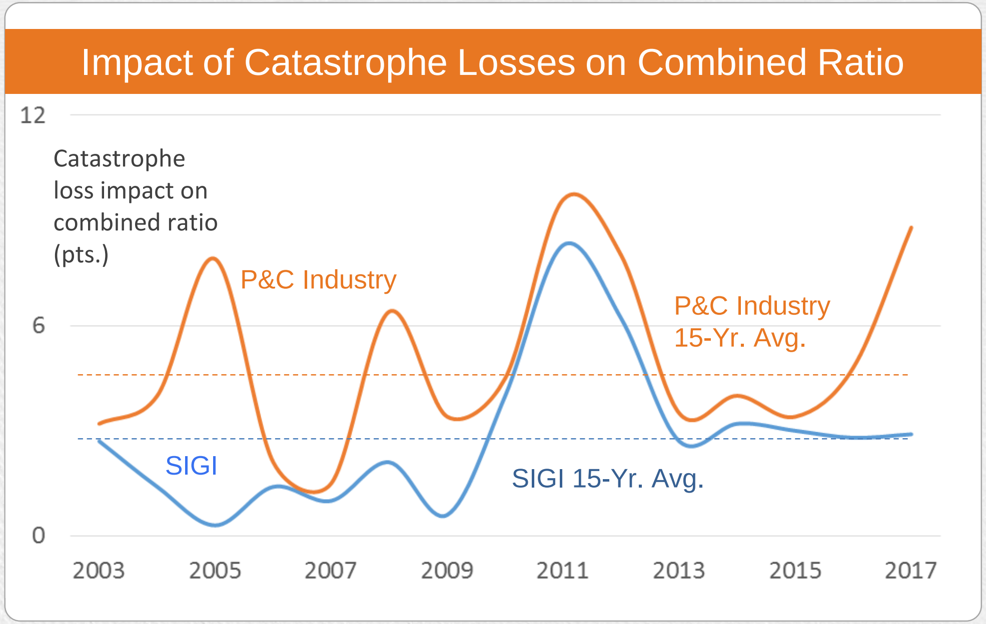
- Fixed Income 92% (3% High yield)
- Short-Term 3%
- Equities 3%
- Alternatives 2%



- Fixed income and short-term investments comprise 95% of the investment portfolio:
  - "AA-" average credit quality
  - Effective duration of 3.7 years
  - Includes 3% allocation to high yield securities
- Current risk asset allocation (high yield, public equity and alternatives) at 8% of invested assets, compared with long-term target of 10%
  - Ongoing work to further diversify our alternative investments portfolio

A conservative investment management philosophy, with a focus on highly-rated fixed income securities

CATASTROPHE LOSS IMPACT HAS BEEN BELOW INDUSTRY AVERAGE



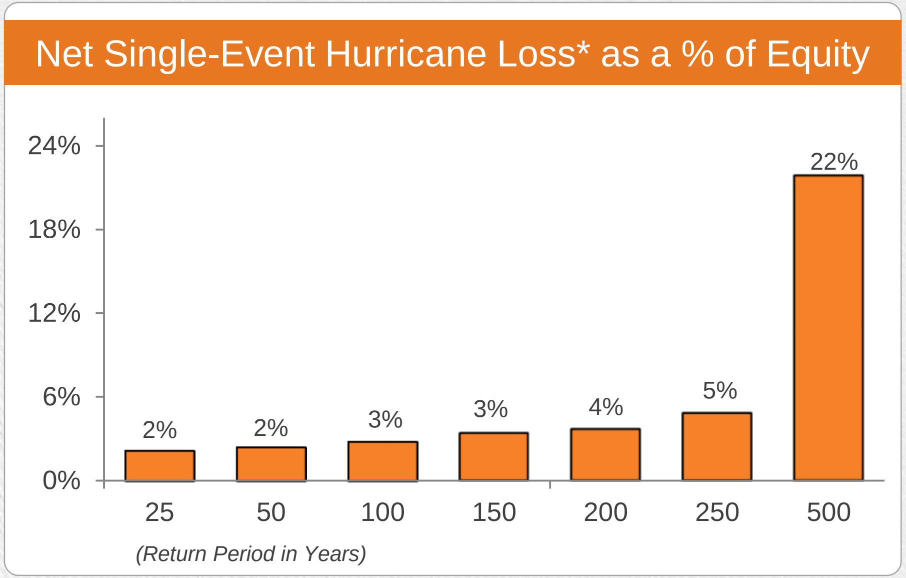
- Catastrophe loss impact over the past 15 years has averaged:
  - 5.0 percentage points for the P&C industry
  - 2.8 percentage points for Selective

- Catastrophe loss mitigation initiatives include:
  - Strict guidelines around coastal properties
  - Focus on geographic diversification and growth that minimizes peak CAT aggregations

Note: Catastrophe impact for P&C industry based on A.M. Best estimates; 2017 results based on A.M. Best's US Property/Casualty: 2018 Review & Preview from Feb 6, 2018

Relatively low historical volatility from catastrophe losses on the combined ratio

PRUDENT REINSURANCE PROGRAM



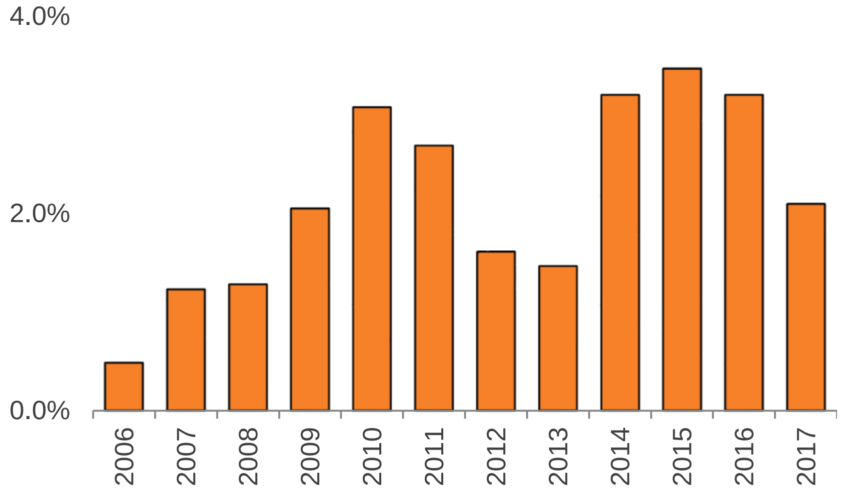
- 2018 property catastrophe treaty structure:
  - Coverage of $735M in excess of $40M retention (up to 1-in-250 year event level)
  - $224M of limit at top of program is collateralized
  - Additional earnings volatility protection from our non-footprint $35M in excess of $5M layer
- Property XOL treaty covers losses up to $58M in excess of $2M retention
- Casualty XOL treaty covers losses up to $88M in excess of $2M retention

* Single event hurricane losses are net of reinsurance, after tax, and reinstatement premiums as of 7/1/17. Equity as of 12/31/17.

Balance sheet protection through conservative program and strong panel of reinsurance partners

A STRONG RESERVING TRACK RECORD

Impact of Reserve Development on our Combined Ratio

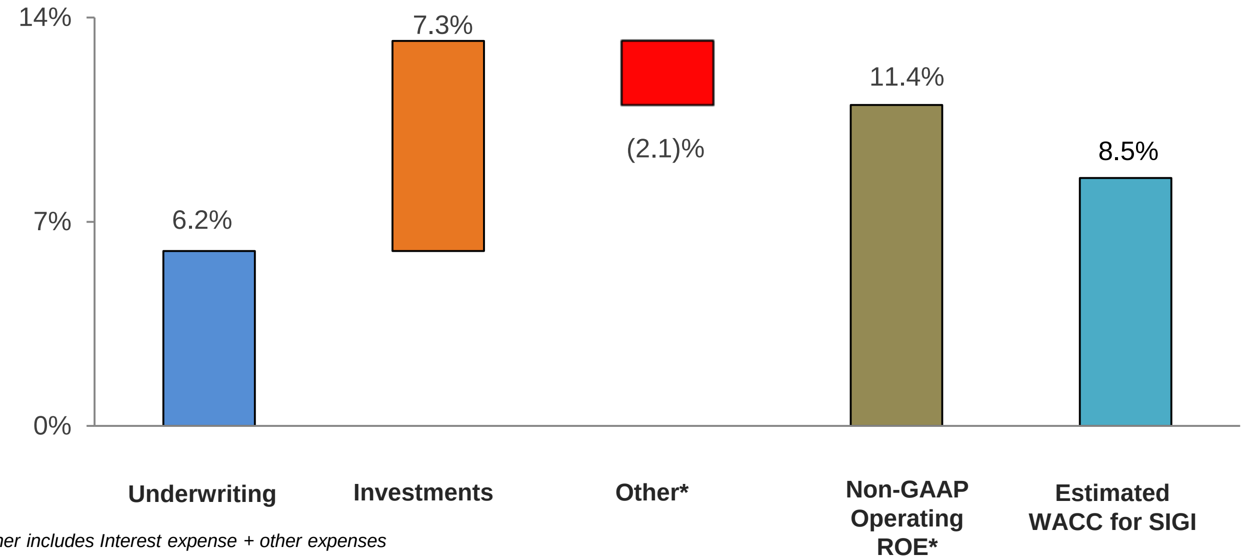


- Disciplined reserving practices:
  - Quarterly actuarial reserve reviews
  - Semi-annual independent review
  - Independent year-end opinion

- Favorable reserve development in Workers Compensation and General Liability lines was partially offset by strengthening in Commercial Auto and E&S lines during 2016 and 2017

Eleven consecutive years of net favorable reserve development

STRONG NON-GAAP OPERATING ROE* IN 2017 AND WELL POSITIONED FOR THE FUTURE



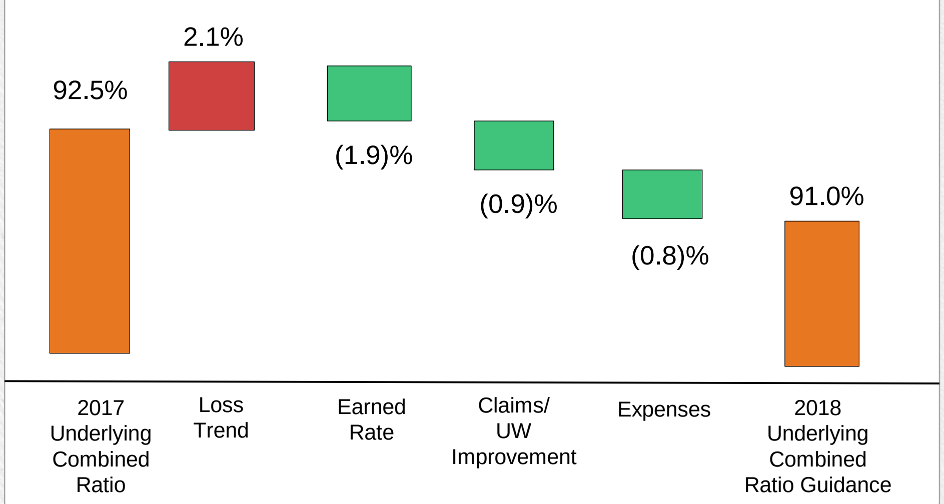
Other includes Interest expense + other expenses

* Refer to “Safe Harbor Statement” on page 2 of this presentation for further detail regarding certain non-GAAP financial measures.

2017 Non-GAAP Operating ROE* in Line With Long-Term Target

2018 COMBINED RATIO PLAN – UNDERLYING MARGIN IMPROVEMENT

Reconciliation of 2018 GAAP Combined Ratio Guidance



- Targeting price increases to keep up with loss inflation
- Assumes no prior-year casualty reserve development
- Business mix improvement through risk segmentation
- Claims and underwriting improvements
- Focus on lowering expense ratio
- CAT budget of 3.5 points

Targeting underlying margin improvement of 150 basis points in 2018

STRONG CAPITAL AND LIQUIDITY POSITION, FOCUS ON EXPENSES

CAPITAL AND LIQUIDITY PLAN

- Strong capital position with 20.4% debt-to-capital ratio
- Target NPW/surplus ratio of ~1.4x (lower end of historical range)
- Growing the business currently provides the most attractive capital deployment opportunity
- Sustainable growth rate of approximately 9%
- Increased shareholder dividend by 13% in 2018

EXPENSE MANAGEMENT

- Targeting a 33% statutory expense ratio or lower over time
- Cost management and greater leverage from NPW growth helping reduce expense ratio
- Restructured long-term stock compensation program should reduce corporate expenses over time
- Corporate effective tax rate expected to be 10 percentage points lower in 2018
- Will continue to make significant investments for the future

OUR INVESTMENT PROPOSITION

- Leveraging our competitive strengths to generate sustained financial outperformance
  - Strong franchise value with “ivy league” distribution partners
  - Unique field model enabled by sophisticated technology
  - Superior customer experience delivered by best-in-class employees
- Excellent growth opportunities within footprint and geo-expansion
- Solid underwriting margins, and well positioned for firming market
- Targeting non-GAAP operating ROE* 300 basis points over WACC
- Conservative approach to risk selection and balance sheet management

* Refer to “Safe Harbor Statement” on page 2 of this presentation for further detail regarding certain non-GAAP financial measures

Selective delivers High-tech, High-touch insurance solutions while leveraging a unique distribution model to generate long-term value for shareholders

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