

INVESTOR PRESENTATION

February 2021

SELECTIVE

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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, as amended, and the Securities Exchange Act of 1934, as amended, 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.

OVERVIEW

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A TRACK RECORD OF SUPERIOR EXECUTION

A Seven-Year Track Record of Consistent Double-Digit non-GAAP Operating ROEs

**2020 Non-GAAP Operating ROE OF
10.5%***

27

State Footprint**

\$4.0B

**Market Cap
(as of 2/9/2021)**

94

**Years of Financial
Strength and
Superior Execution**

\$2.8B

**2020 NPW
(up 3% Y/Y)*****

94.9%

**2020 GAAP
Combined
Ratio*****

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

**State Footprint refers to Commercial Lines only and includes D.C.

*** Specific COVID-19-related items lowered 2020 NPW growth by approximately four points, increased the combined ratio by 1.1 points, and lowered the non-GAAP operating ROE by 1.1 points

OUR SUSTAINABLE COMPETITIVE ADVANTAGES

Competitive Position Enhanced by Working Towards the Benefit of all our Stakeholders

Franchise value distribution model with high-quality partners

Enables effective management of pricing and retention

Presents significant opportunity for profitable growth

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

Sophisticated pricing and underwriting tools

Superior omni-channel customer experience delivered by best-in-class employees

Total attention to customer experience

Developing holistic solutions for 24-hour omni-channel shared experience

Increased customer engagement

Value-added services

SUMMARY OF OUR OPERATIONS

Commercial Lines (80% of NPW)

Focused on disciplined growth

Strong calendar year profitability;
Commercial Auto improving, but
remains an area of focus

Drivers of results include strong
new business growth and
retention, and accelerating
renewal pure price increases

Personal Lines (11% of NPW)

Competitive market conditions
hurting personal auto growth

Shifting Homeowners focus to
“mass-affluent” market that
places greater value on product
and services

Third largest “Write Your Own”
National Flood Insurance
Program writer; partial hedge
for catastrophe losses

Excess & Surplus (9% of NPW)

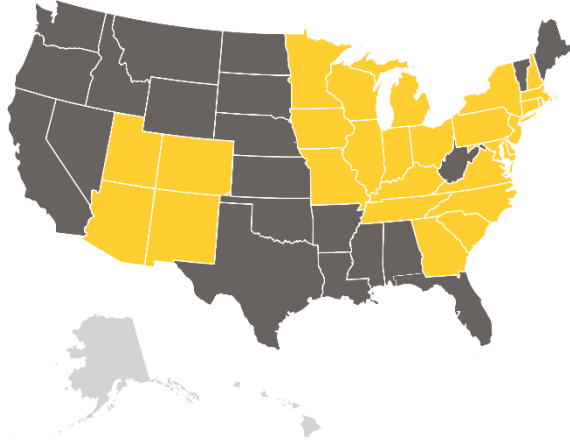
Focus on achieving target
combined ratio; top-line will
depend on market conditions

“E&S light” product mix

Margin improvement through
targeted price increases, exiting
challenged segments, and claim
outcome improvements

SUPER REGIONAL COMPANY WITH NATIONAL CAPABILITIES

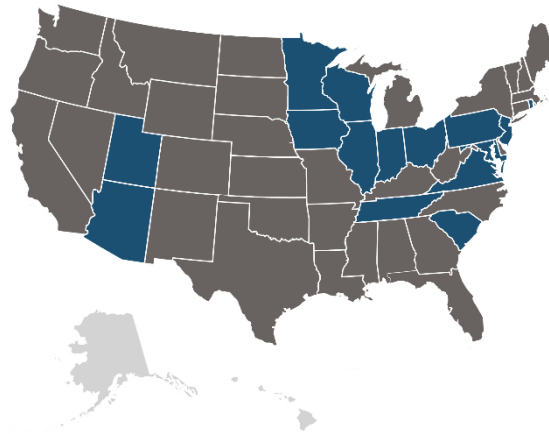
Standard Commercial (80% of NPW)



27
States & D.C.

~1,400
distribution partners

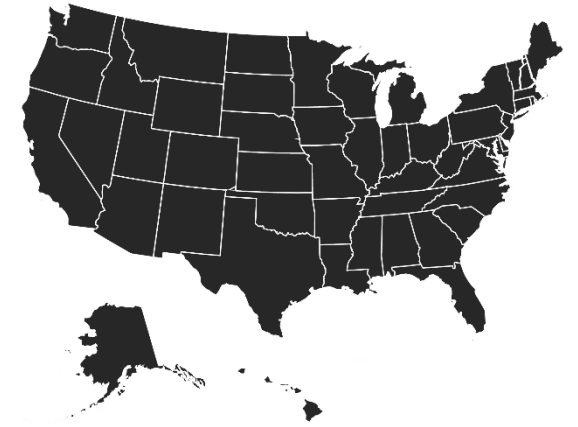
Standard Personal (11% of NPW)



15
States

~850
distribution partners
(~6,000 for WYO flood)

E&S (9% of NPW)

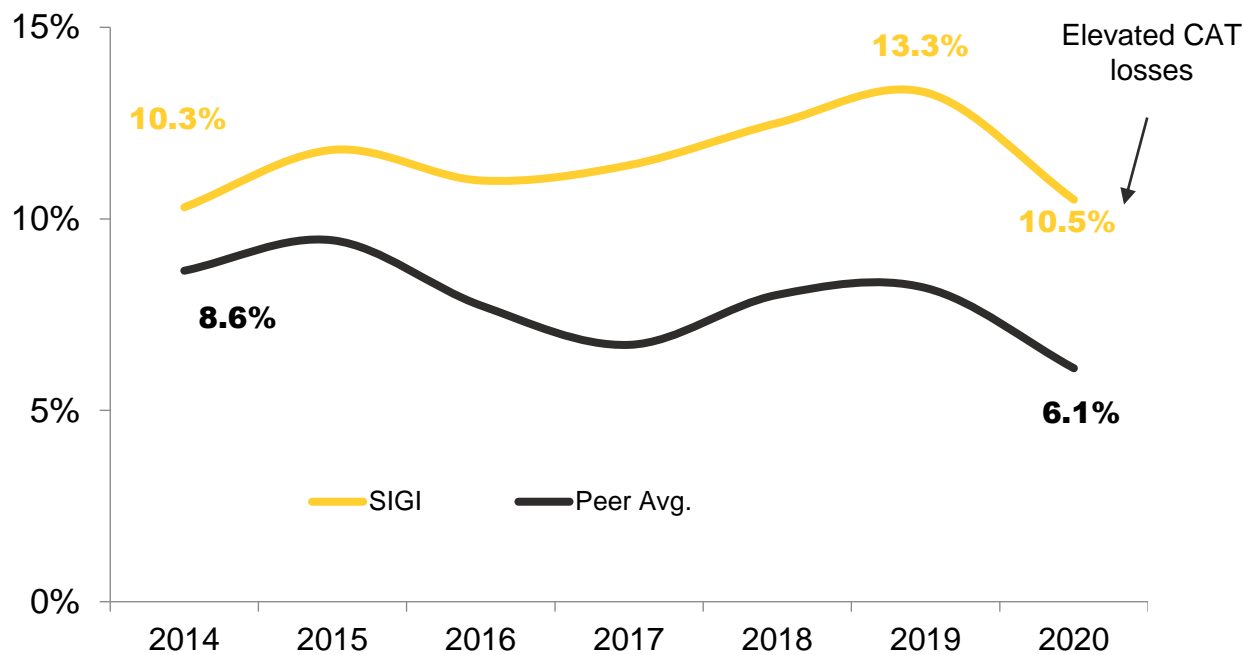


50
States & D.C.

~90 wholesale
distribution partners

STRONG ROE OUTPERFORMANCE RELATIVE TO PEERS

Historical Non-GAAP Operating ROEs*



- Superior 10.5% non-GAAP operating ROE* in 2020 driven by solid underwriting and investment contributions
- SIGI non-GAAP operating ROE* for 2020 includes elevated CAT losses
- A track record of generating ROEs well in excess of our cost of capital and peer group averages

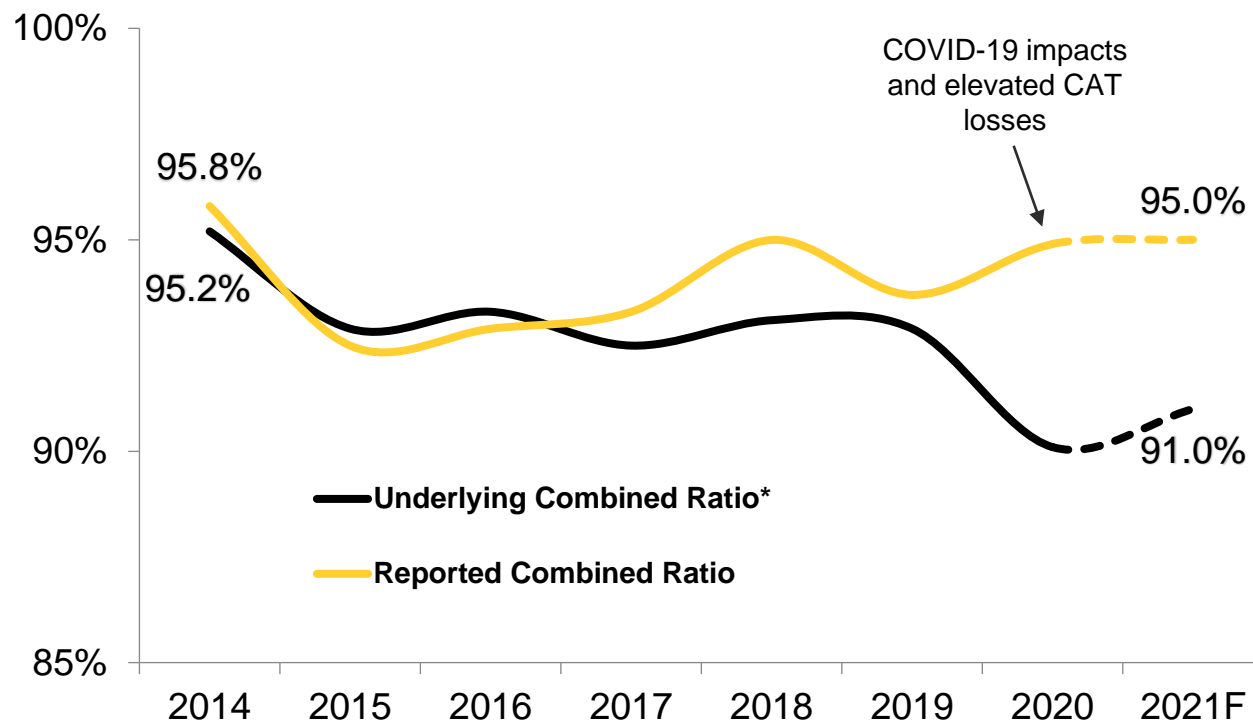
* Refer to "Safe Harbor Statement" on page 2 of this presentation for further detail regarding certain non-GAAP financial measures.

Peer index includes TRV, HIG, CNA, CINF, THG, and UFCS; 2020 operating ROE is based on full-year results for TRV, HIG, CNA and THG, and nine months data for CINF and UFCS

Seven consecutive years of double-digit non-GAAP operating ROEs* averaging 11.5% between 2014 and 2020

EXCELLENT HISTORICAL OPERATING RESULTS

Historical GAAP Combined Ratios



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

FULL YEAR 2020 HIGHLIGHTS:

- Consolidated combined ratio of 94.9%
- After-tax net investment income up 2% over prior year
- Non-GAAP operating ROE* of 10.5%

2021 GUIDANCE:

- Underlying combined ratio of 91.0% (assuming no prior-year casualty reserve development)
- Catastrophe losses of 4.0 points
- \$182 million of after-tax net investment income
- 20.5% overall effective tax rate
- 60.5 million weighted average shares

OUR STRATEGIC INITIATIVES

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OUR MAJOR STRATEGIC INITIATIVES



LEVERAGE SOPHISTICATED TOOLS TO ACHIEVE ADEQUATE PRICING

Deploy sophisticated underwriting and pricing tools to achieve price increases \geq loss trends



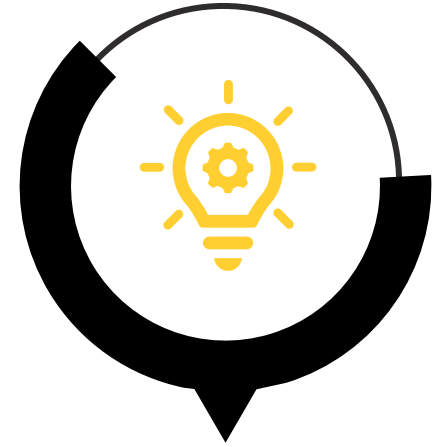
CONTINUED PROFITABLE GROWTH

Expanding “share of wallet” and new agent appointments; geo-expansion



EXCELLENT CUSTOMER SERVICE

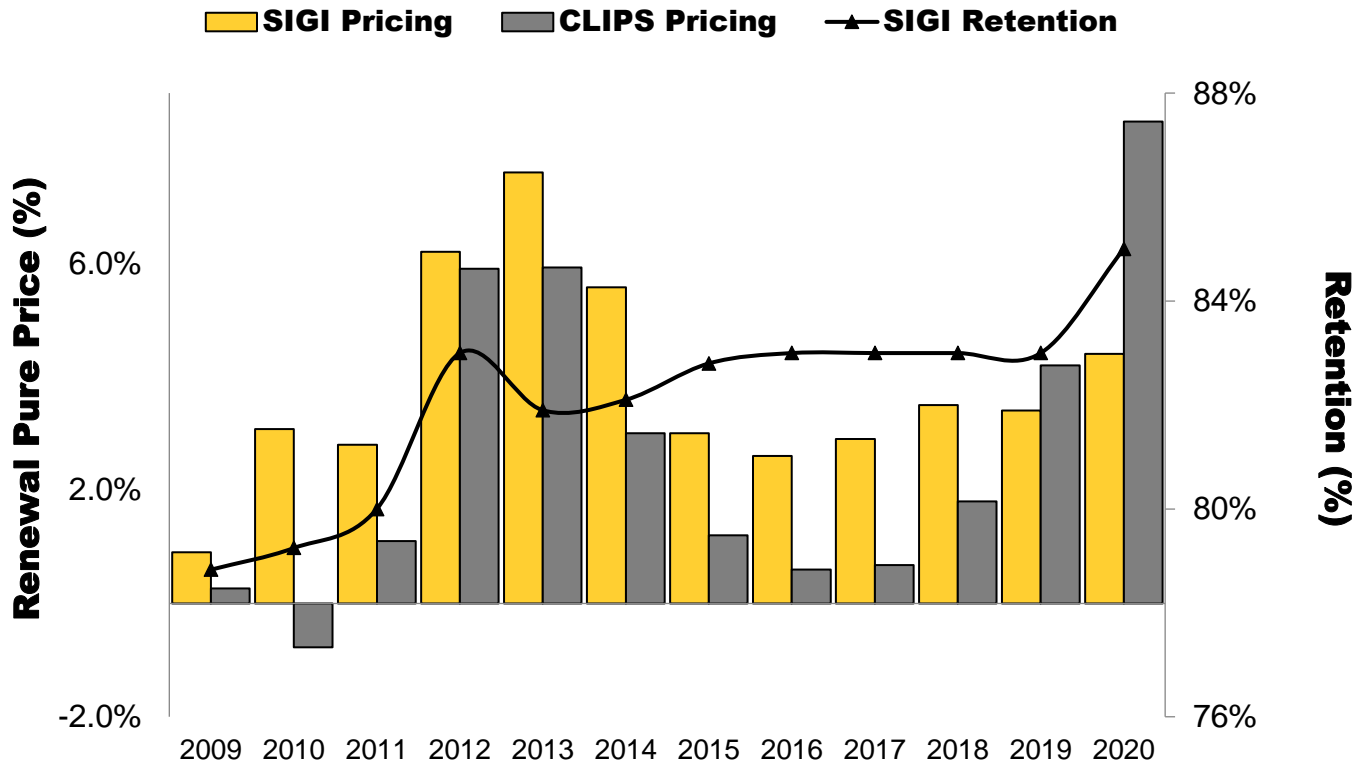
Continue to deliver superior omni-channel customer experience



CULTURE FOCUSED ON INNOVATION AND SUSTAINABILITY

A culture of innovation and ideation, centered around diversity, equity, and inclusion

CONSISTENTLY ACHIEVING PRICE INCREASES IN ALIGNMENT WITH LOSS TREND



CLIPS: Willis Towers Watson Commercial Lines Insurance Pricing Survey; 2020 is based on 9M20 data

- Selective's renewal pure price increases exceeded industry average from 2009-2018
- An attractively-priced book with strong embedded profitability; industry pricing trends provide tailwind
- Ability to obtain appropriate price enabled by:
 - Strong distribution partner relationships
 - Sophisticated tools and actionable data
 - Culture of underwriting discipline

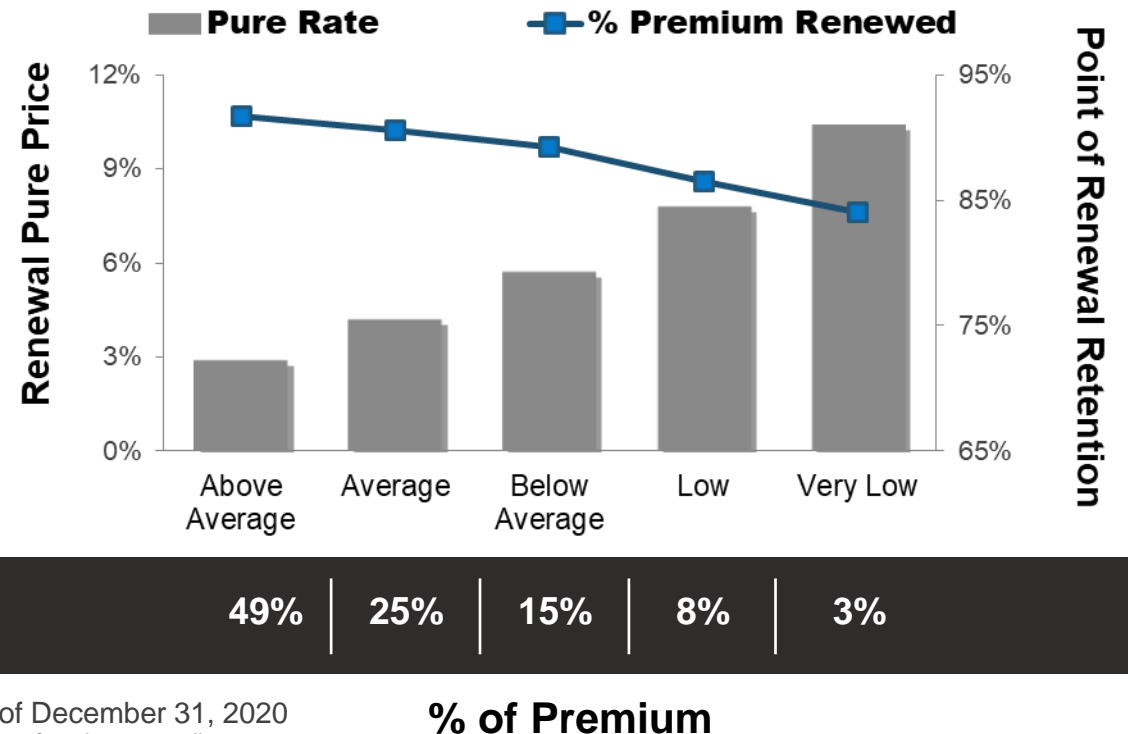
Selective's 2020 Commercial Lines renewal pure price increases averaged 4.4%

A GRANULAR APPROACH TO PRICING AND UNDERWRITING

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

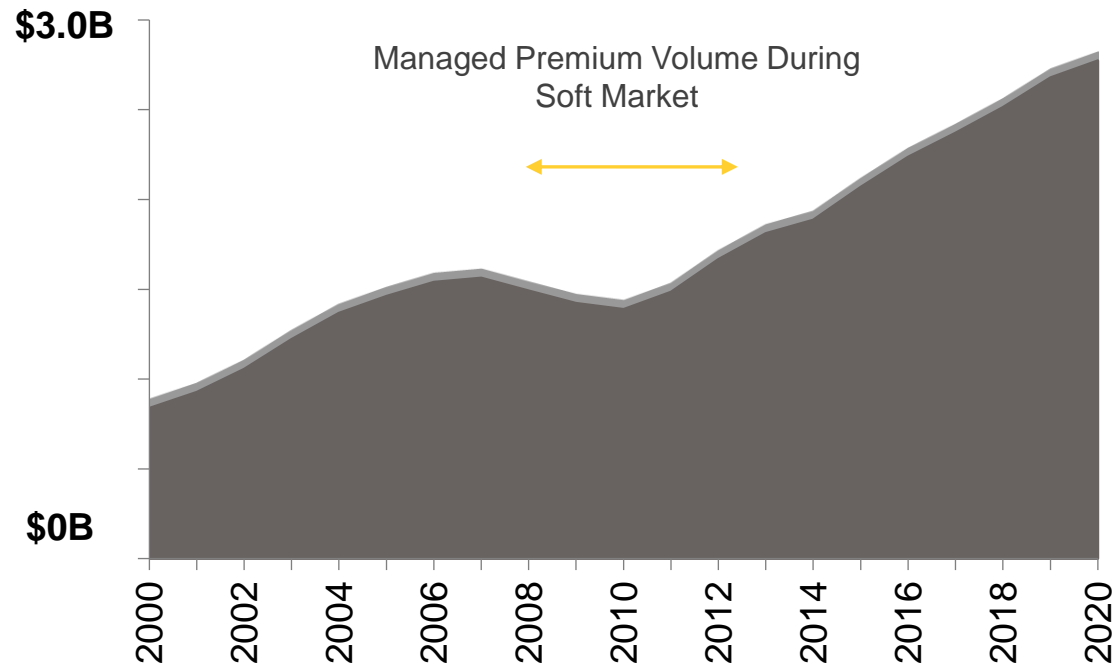
Strong focus on developing tools and technologies that enable more efficient decision making

Commercial Lines Pricing by Retention Group



TARGETING PROFITABLE GROWTH OVER TIME

Historical Net Premiums Written



COMMERCIAL LINES GROWTH DRIVERS:

- Target of growing “share of wallet” to 12% with existing distribution partners
- Target of appointments to represent 25% share in existing markets
- Geo-expansion
- New products and M&A

Additional NPW opportunity of about \$3B by achieving a 3% commercial lines market share in existing footprint

LOWER
RISK



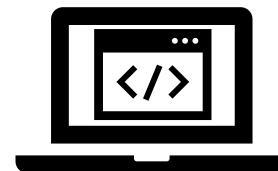
HIGHER
RISK

Successful track record of cycle management and profitable growth

INITIATIVES FOCUSED ON PROFITABLE GROWTH



MarketMax® provides our distribution partners with insights into their portfolio and positions them to expand their relationship with us



New small business agency interface enhances opportunities by significantly streamlining quoting and issuance process

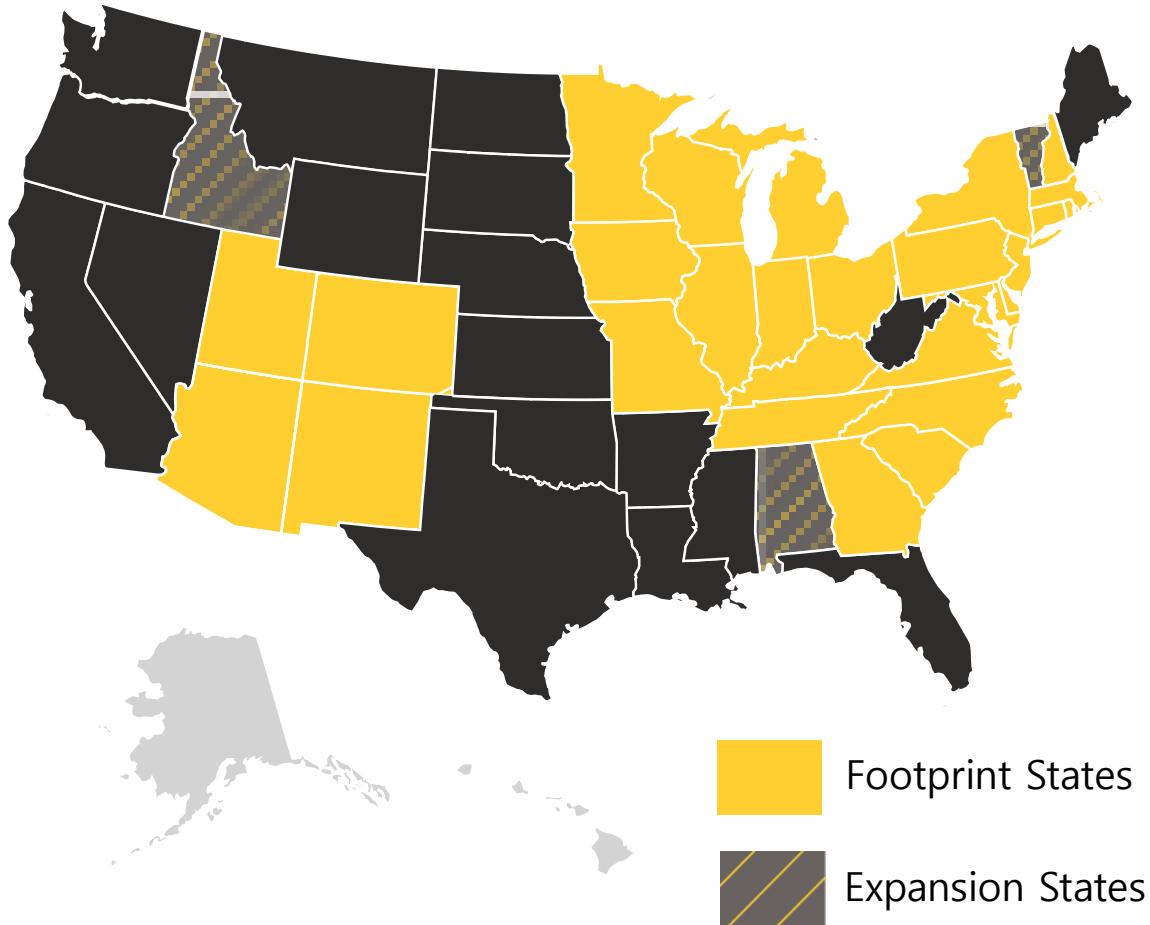


Shifting Personal Lines focus towards “mass affluent” market that is less price-sensitive, and derives greater value from coverage and services



E&S automation platform enhances competitive position

GREENFIELD GEO-EXPANSION ENHANCES GROWTH OPPORTUNITIES



- Diversification and spread of risk, with a target of having national capabilities

2017 – 2018

- Established new Southwest regional hub by entering AZ, CO, NM, and UT for commercial lines
- AZ and CO for personal lines
- Initial growth and profitability has been better than expectations

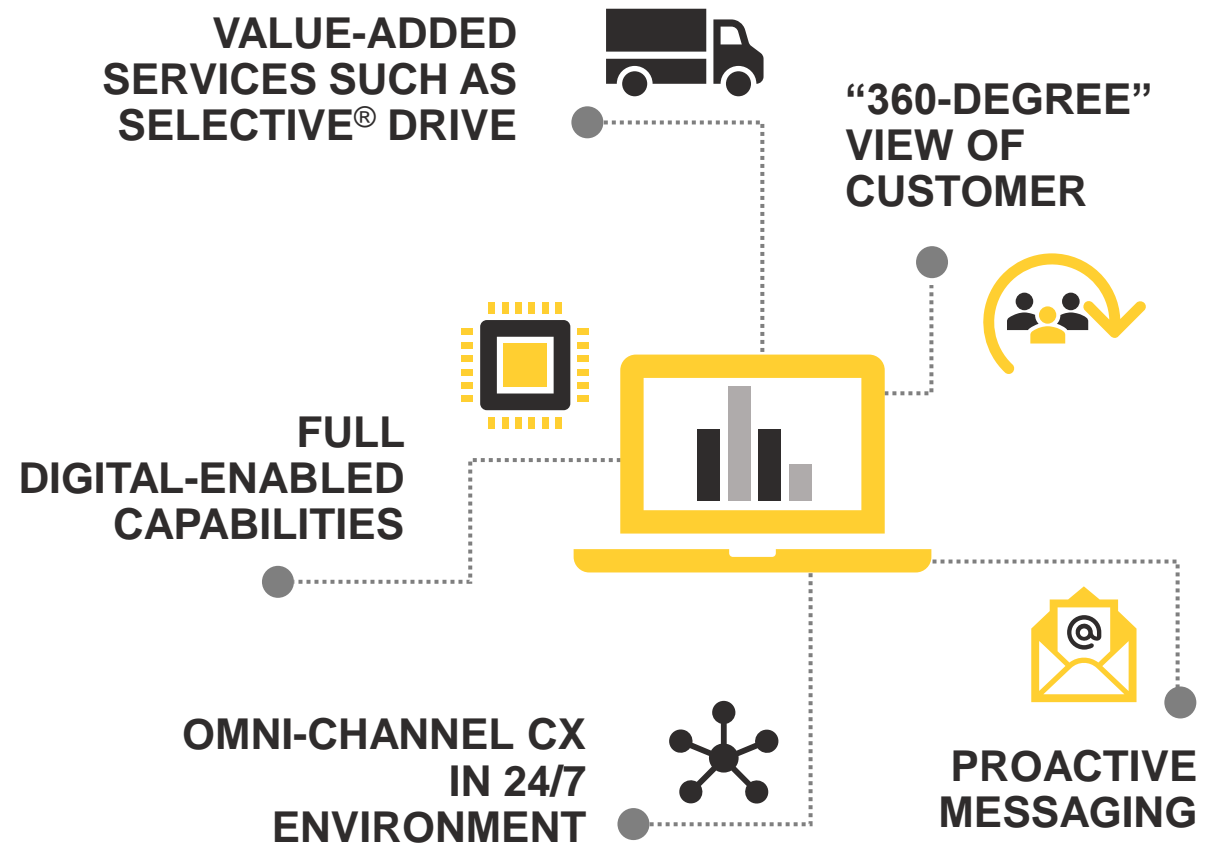
2022

- Targeted expansion into AL, ID and VT (subject to regulatory approval)

DELIVER A SUPERIOR OMNI-CHANNEL EXPERIENCE

- Changing expectations from customers, and potential disruptive threats from traditional and non-traditional competitors
- Partnering with agents to provide a seamless customer experience
- Identifying value-added services to increase new business hit ratios and retention rates:
 - Customized proactive messaging for product recalls, notices of loss, and policy changes
 - Full digital capabilities
 - Additional service offerings such as Selective® Drive and Security Mentor®

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



STRONG FOCUS ON INNOVATION AND SUSTAINABILITY



A focus on attracting, developing, and retaining the best talent:

- Established an Innovation function, including a lab at our Branchville, NJ campus
- Leadership and development programs
- Initiatives to increase diversity and inclusion
- A focus on sustainability principles



- Published our first ESG report: “Leading with Purpose” in March 2020
- Officially recognized as a Great Place to Work Certified™ organization in 2020
- Ranked one of the Top Employers for 2020 for showing continual dedication to establishing a diverse workforce and culture

DE&I INITIATIVES TO DRIVE EMPLOYEE ENGAGEMENT

Promoting diversity, equity and inclusion is a key facet of driving employee engagement and enhancing innovation and creativity



Employee hiring, retention, evaluation, and promotion practices targeted towards increasing diversity across all levels within the organization



Increased Board diversity with recent appointments



Building a leadership culture centered around inclusivity

We continue to focus on building a culture that fosters innovation and idea generation that is centered on the values of diversity, equity and inclusion

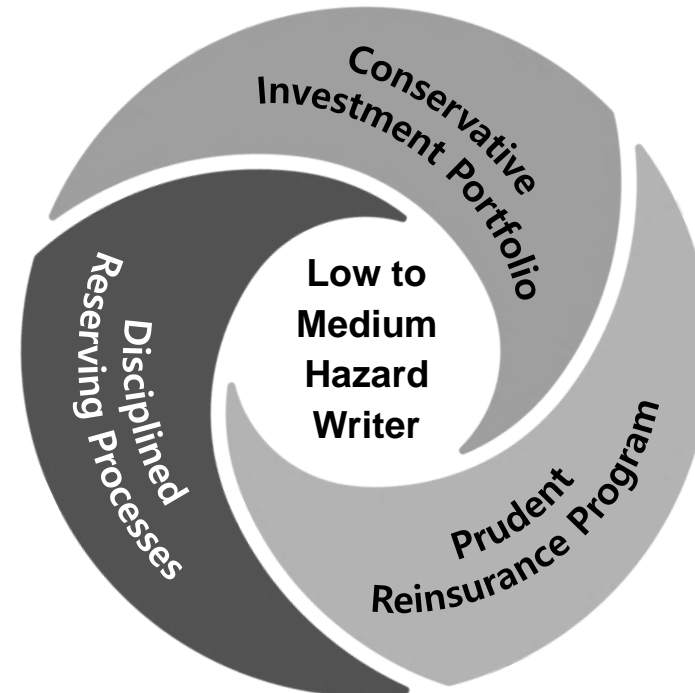
FINANCIAL OVERVIEW

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LOWER RISK PROFILE AND STRONG FINANCIAL STRENGTH

- Strong balance sheet underpinned by a conservative approach to:
 - Managing the investment portfolio
 - Purchasing reinsurance protection
 - Loss reserving
- Conservative business and balance sheet profile allows for higher operating leverage
 - Each full point on combined ratio = ~0.9 points of ROE
 - Each full point of pre-tax investment yield = ~2.4 points of ROE

A LOWER RISK PROFILE



* Our A rating from AM Best is currently on positive outlook

A WRITER OF PREDOMINANTLY LOW- TO MEDIUM-HAZARD RISKS

- Manage volatility of underwriting results, in part through maintaining a smaller limit profile
- Low account sizes (premium per policyholder) averaging:
 - \$13K for Standard Commercial
 - \$2.4K for Standard Personal
 - \$3K for E&S
- Low reinsurance attachment points of \$2M per event for property and casualty risks

Percent of Policies with TIV* or Limits of \$1M or Less	Property	Casualty
Standard Commercial Lines	78%	87%**
Standard Personal Lines	84%	98%
E&S Lines	97%	98%

Notes:

* TIV refers to total insured value

** Excludes workers compensation policies, which do not have statutory policy limits

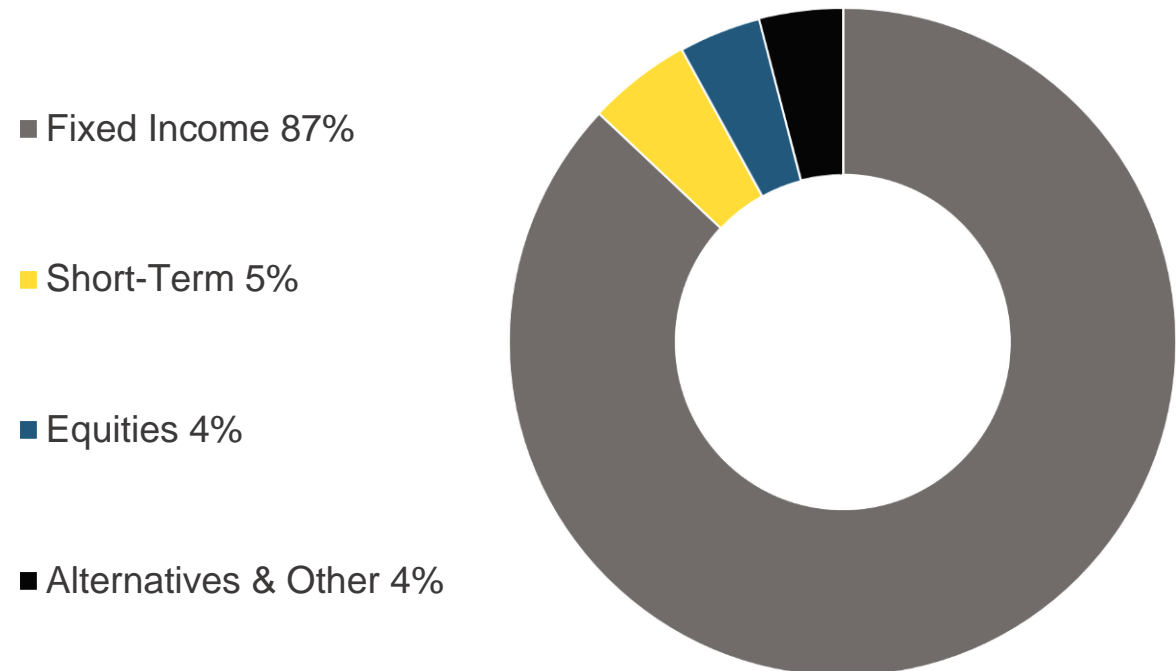
A lower volatility portfolio of risks

CONSERVATIVE INVESTMENT PORTFOLIO

- Core fixed income and short-term investments comprise 92% of the investment portfolio:
 - “AA-” average credit quality
 - Effective duration of 3.8 years
- Risk asset allocation (high yield, public equity, and alternatives) at 10.4% of invested assets
- Ongoing work to further diversify our alternative investments portfolio by strategy and vintage

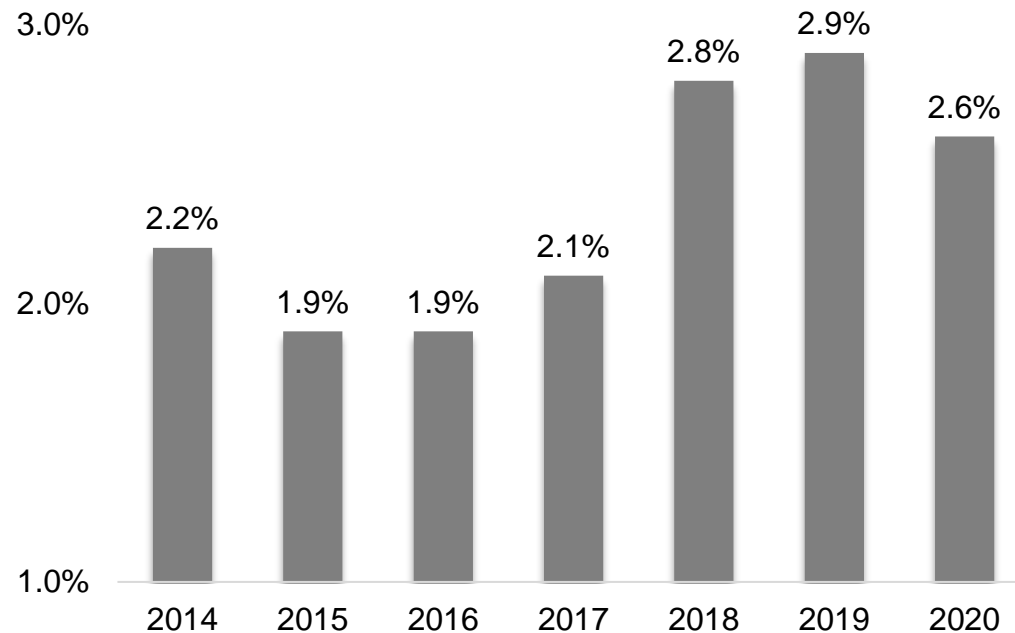
Investment Portfolio at 12/31/20

\$7.5B of Investments



ACTIVE PORTFOLIO MANAGEMENT DRIVES INVESTMENT RESULTS

Historical After-Tax Fixed Income Portfolio Yields



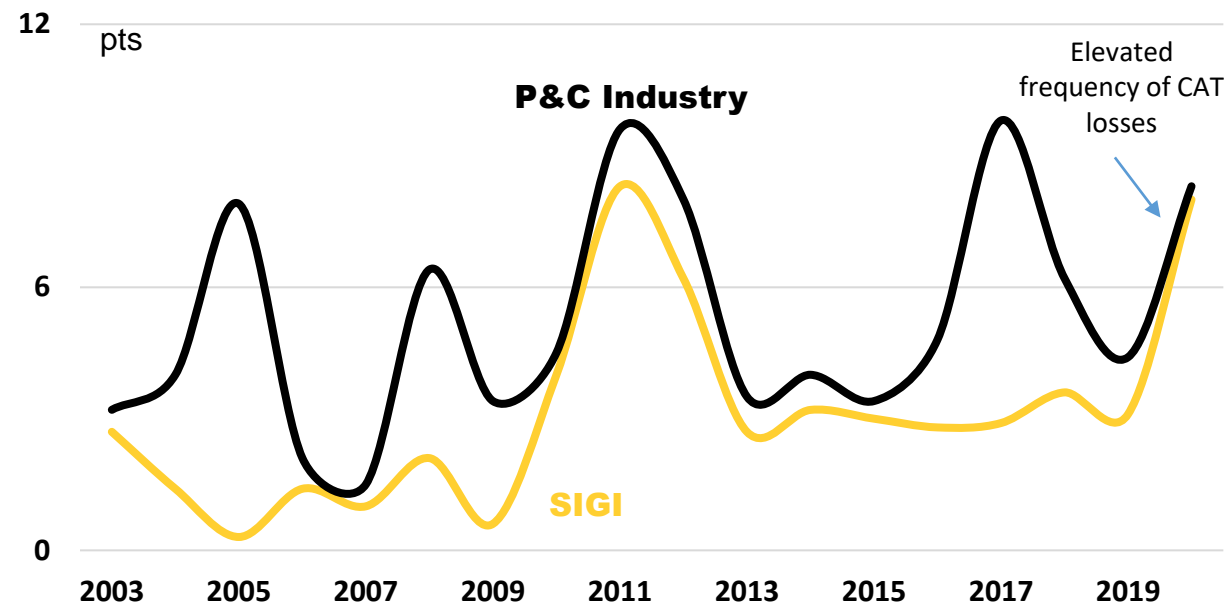
- Current fixed income and short-term portfolio duration of 3.8 years
- AA- average credit rating
- Guidance of after-tax net investment income of \$182M in 2021:
 - \$16M of after-tax net investment income from our alternative investments
 - Continued pressure on new money yields for fixed income investments
 - Reinvestment of strong operating cash flows

After-tax yield on our fixed income portfolio was 2.6% for 2020

HISTORICAL CATASTROPHE LOSS IMPACT BELOW INDUSTRY AVERAGE

- Catastrophe loss impact over the past 17 years has averaged:
 - 5.3 percentage points for the P&C industry
 - 3.2 percentage points for Selective
- Catastrophe loss mitigation initiatives include:
 - Strict guidelines around coastal properties
 - Focus on geographic diversification and growth that minimizes peak catastrophe aggregations
 - Conservative reinsurance program

Impact of Catastrophe Losses on Combined Ratio

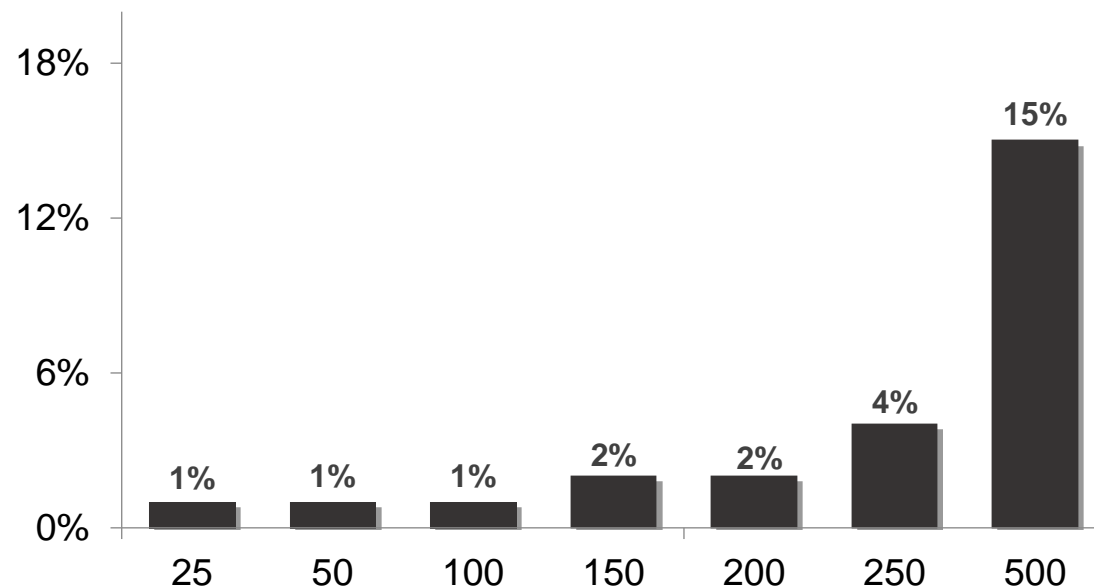


Note:
Catastrophe impact for P&C industry based on AM Best estimates; 2020 figures based off 9M20 data

Relatively low historical combined ratio volatility from catastrophe losses

CONSERVATIVE REINSURANCE PROGRAM

Net Single-Event Hurricane Loss* as a % of Equity



(Return Period in Years)

* Single event hurricane losses are net of reinsurance, after tax, and reinstatement premiums as of 1/1/21. GAAP equity as of 12/31/20.

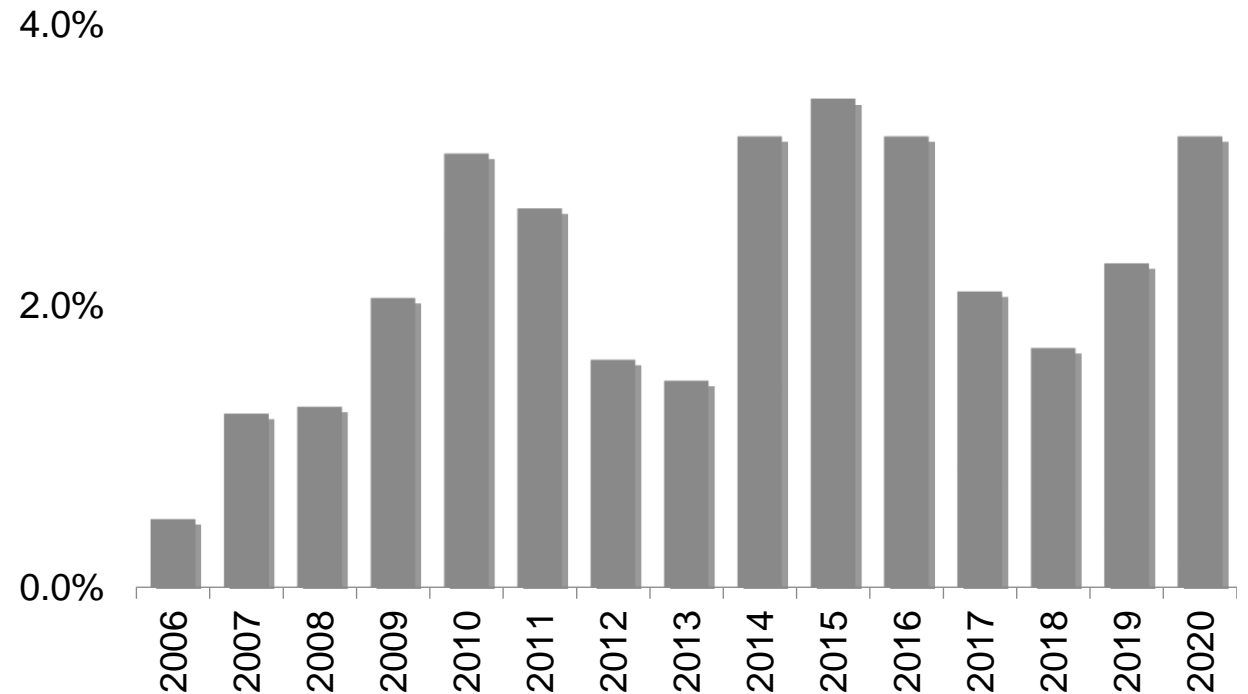
- 2021 property catastrophe treaty structure:
 - Coverage of \$785M in excess of \$40M retention
 - \$281M in collateralized limit, primarily in the top layer of the program
 - Additional earnings volatility protection from our non-footprint \$35M in excess of \$5M layer
- Property XOL treaty covers losses up to \$58M in excess of \$2M retention
- Casualty XOL treaty covers losses up to \$88M in excess of \$2M retention

STRONG RESERVING TRACK RECORD

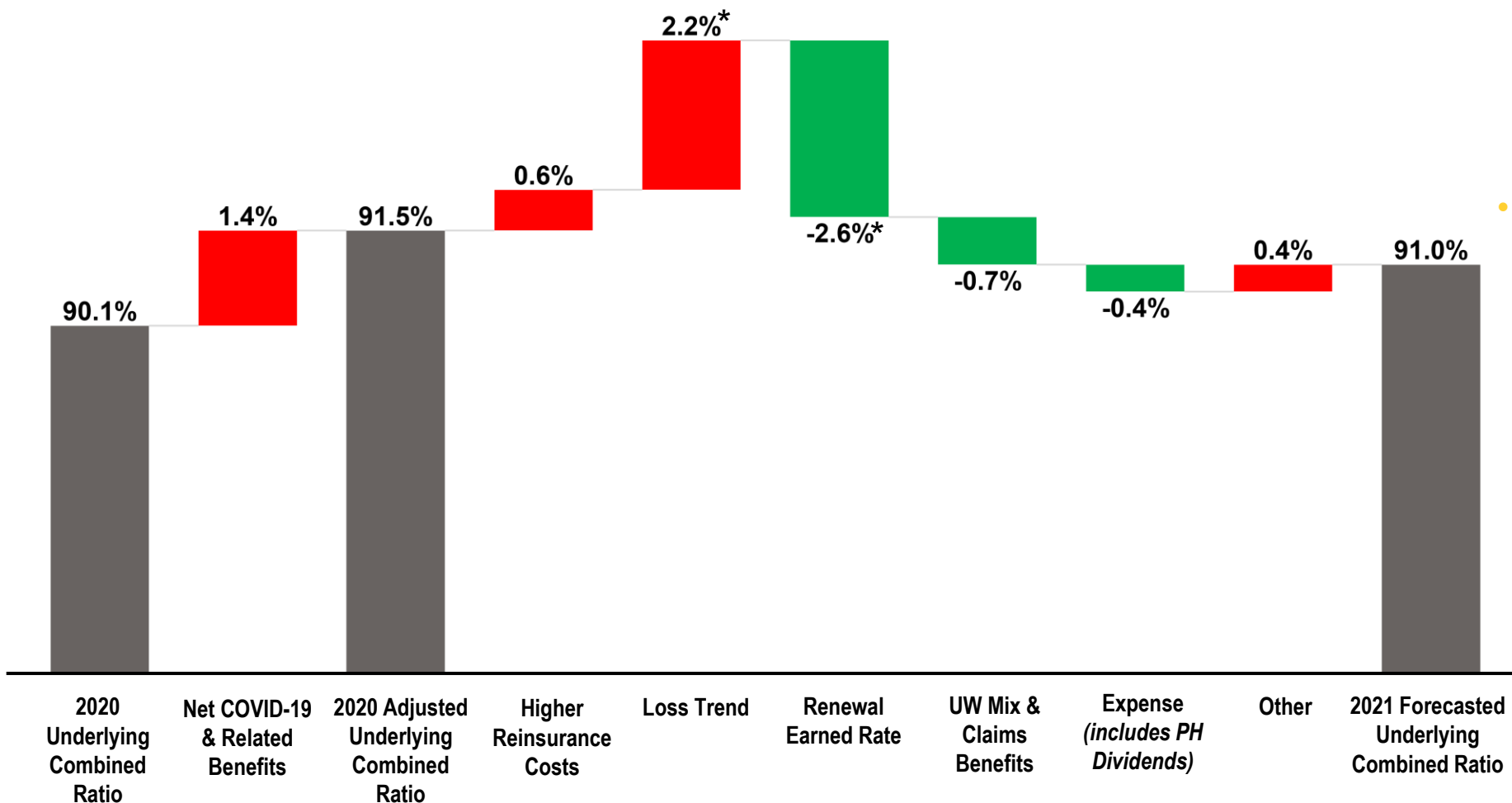
- Disciplined reserving practices:
 - Quarterly actuarial reserve reviews
 - Semi-annual independent review
 - Independent year-end opinion
- Favorable reserve development in Workers Compensation and General Liability was partially offset by modest strengthening in Commercial Auto during 2020

Fifteen consecutive years of net favorable casualty reserve development

Impact of Casualty Reserve Development on our Combined Ratio



ROLLFORWARD OF UNDERLYING COMBINED RATIO



- 2021 guidance assumes:
 - No prior year casualty reserve development
 - Catastrophe losses of 4.0 points on the combined ratio

*Gross trend is 4.0% and gross earned rate is 4.7%.

STRONG CAPITAL AND LIQUIDITY POSITION, GREATER FOCUS ON EXPENSES

CAPITAL AND LIQUIDITY PLAN

- Debt-to-capital ratio of 16.7%
- NPW to surplus ratio of ~1.3x is at the low end of our target range of 1.35x – 1.55x
- Parent company cash and investments total ~\$490M; well in excess of our target of two times annual outflow
- Instituted opportunistic \$100M share repurchase authorization
- Investing in the business currently provides the most attractive capital deployment opportunities

EXPENSE MANAGEMENT

- 2020 expense ratio of 33.8% includes 1.1 points of specific COVID-19-related items
- ~70 basis points of 2020 expense ratio improvement estimated to be temporary
- Expecting expense ratio improvement in 2021 and over the next couple years

Areas for operational enhancements include:

- Workflow and process improvements
- Robotics and artificial intelligence
- Talent development
- Product innovation

A FOCUS ON ROE AND GROWTH IN BOOK VALUE PER SHARE

Generating non-GAAP operating ROE* in line with our long-term target



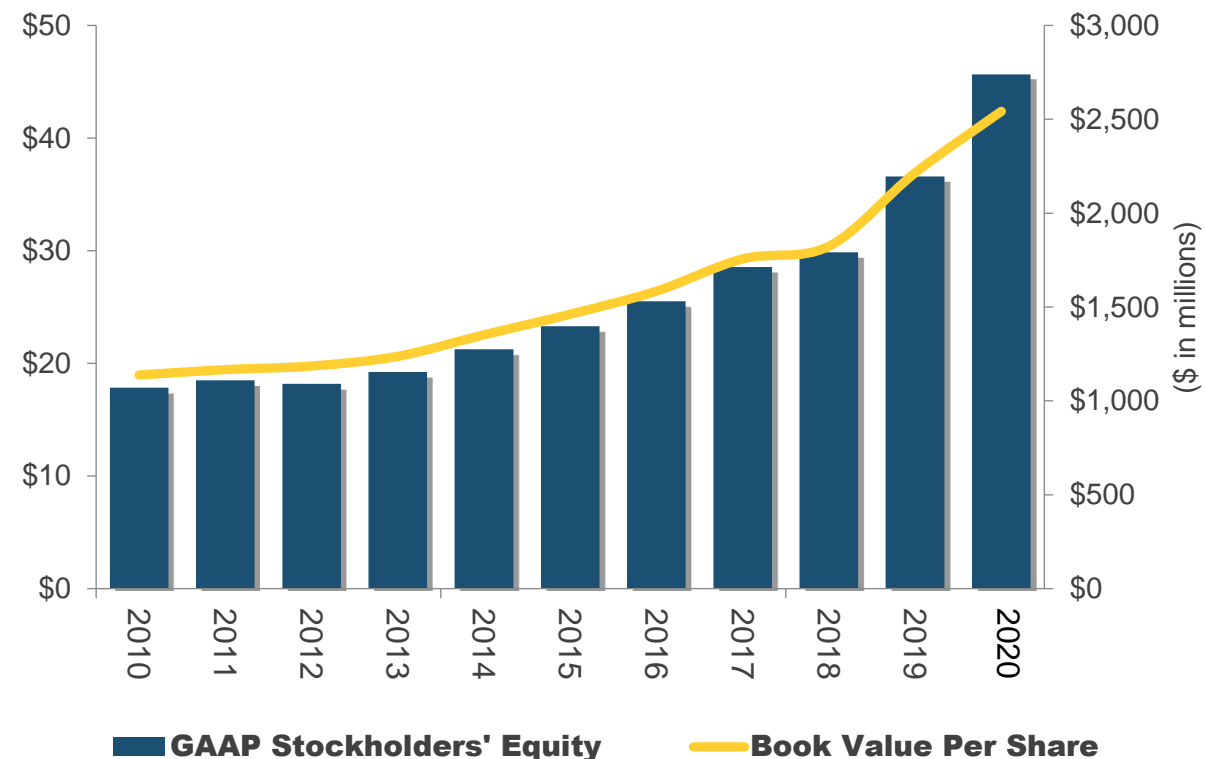
Superior growth in book value per share



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 Over Time

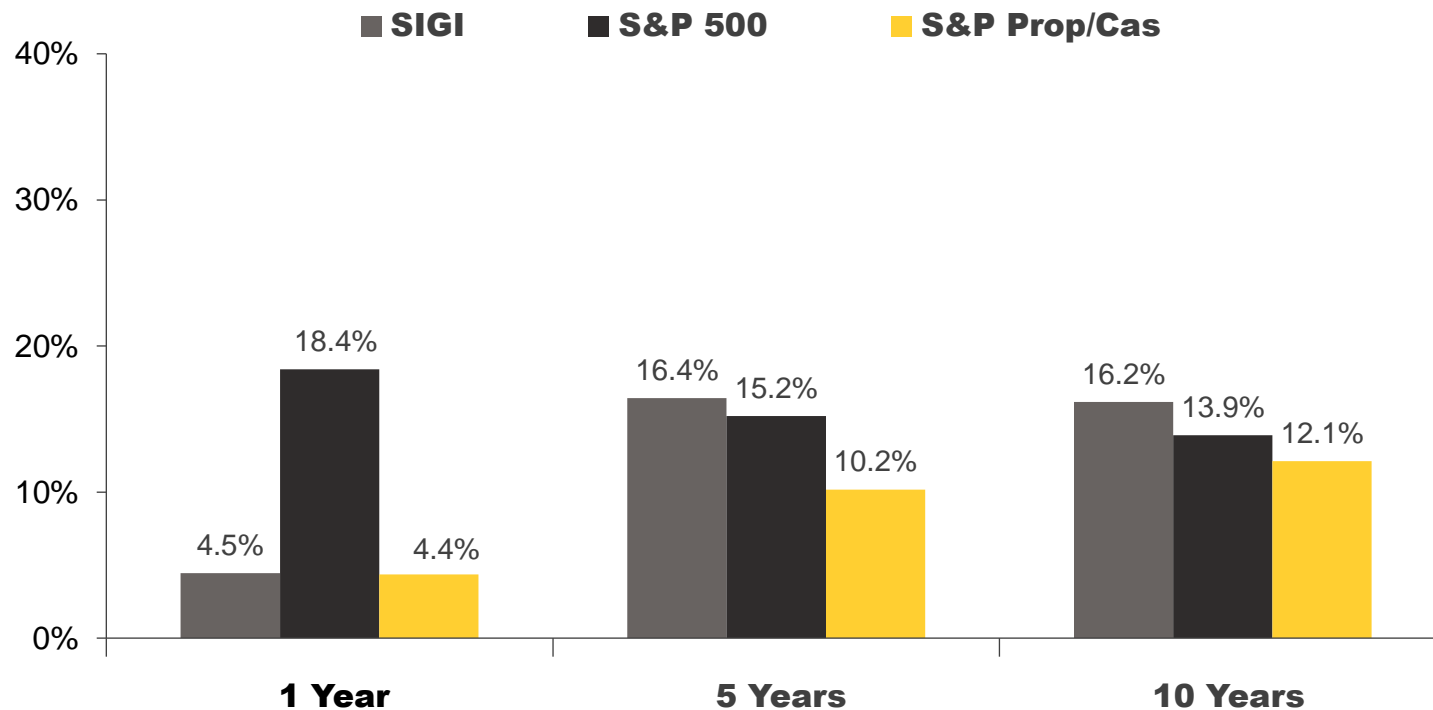


TOTAL SHAREHOLDER RETURNS HAVE OUTPERFORMED BENCHMARKS OVER LONGER TERM

- Solid long-term outperformance in TSR relative to S&P P&C insurance and S&P 500 indices over the past 5- and 10-year periods
- Share price performance has reflected our ability to generate strong and consistent financial results

Our stock has outperformed peers and equity markets over the past 10-year period

Total Shareholder Return



Note: Total shareholder return calculations as of December 31, 2020

OUR VALUE PROPOSITION



Leveraging our competitive strengths to generate sustained financial outperformance

- Franchise value distribution model with best-in-class partners
- Unique field model enabled by sophisticated technology
- Strong customer experience



Excellent growth opportunities within footprint and geo-expansion



Solid underwriting margins, and non-GAAP operating ROEs* in line with our financial targets



Conservative approach to risk selection and balance sheet management

INVESTOR PRESENTATION

February 2021

