

INVESTOR PRESENTATION

QUARTER ENDED
MARCH 31, 2023

SELECTIVE
INSURANCE®



Safe Harbor Statement

We make certain statements and reference other information in this presentation 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, as amended, for forward-looking statements relating to our intentions, beliefs, projections, estimations, and forecasts of future events or our future financial performance. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. We can give no assurance that our expectations expressed in forward-looking statements ultimately will be correct.

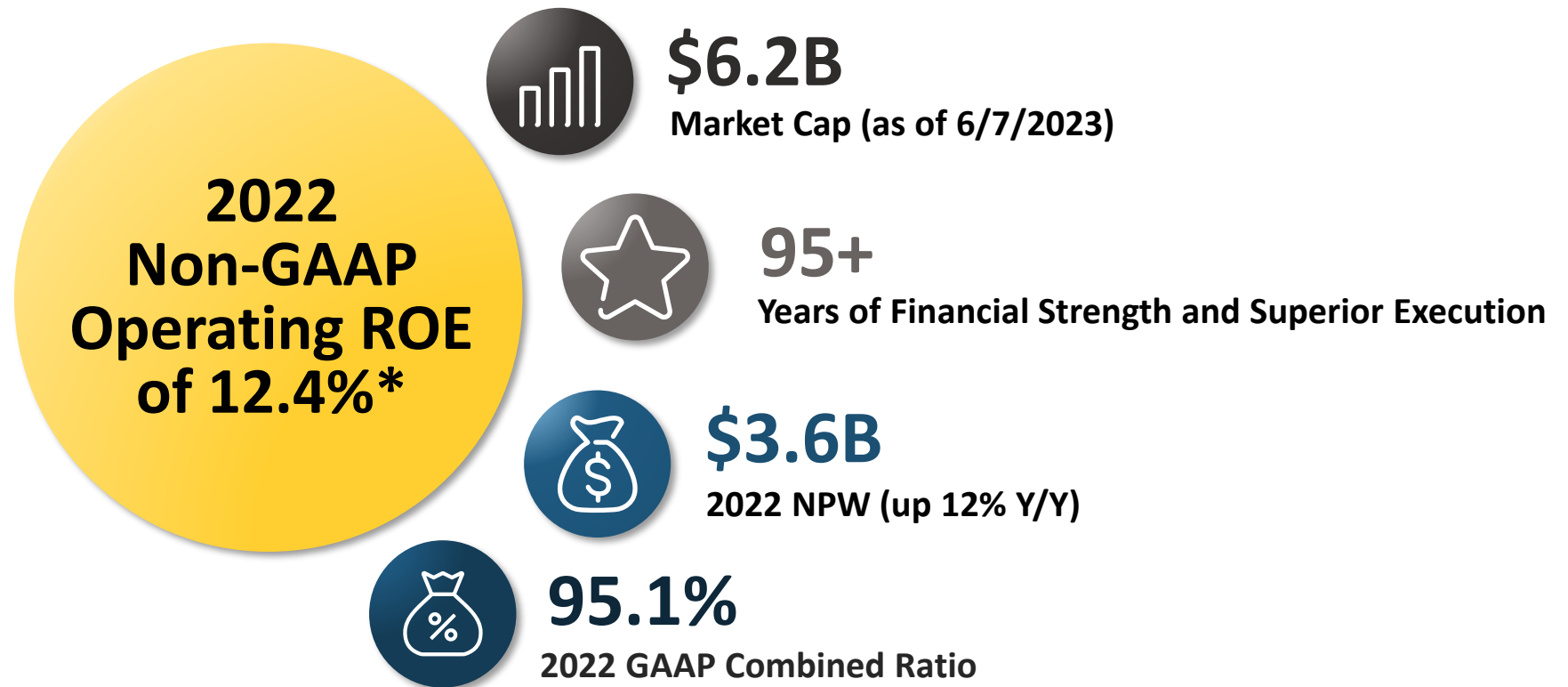
We discuss factors that could cause our actual results to differ materially from those we project, forecast, or estimate in forward-looking statements in further detail in Selective’s public filings with the United States Securities and Exchange Commission. We undertake no obligation to publicly update 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 are available in our Annual Report on Form 10-K and our Supplemental Investor Package, both found on our website <www.selective.com> under “Investors/Reports & Earnings/Presentations.” We believe investors and other interested persons find these measurements helpful, as they provide 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 unduly rely on these non-GAAP measures in assessing our overall financial performance.

Overview

A Track Record of Superior Execution

Nine Consecutive Years of Double-Digit Non-GAAP Operating ROEs and Above Average Industry Growth*



*For further information on non-GAAP financial measures, please see "Safe Harbor Statement" on Page 2.

Our Sustainable Competitive Advantages

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



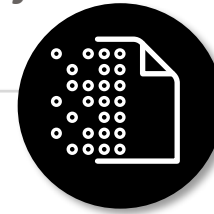
Distribution model emphasizes franchise value with high-quality partners

- Appointment of high-quality independent agent distribution partners with whom we have close relationships
- Enables effective management of pricing and retention
- Presents significant opportunity for profitable growth



Unique locally based field model

- Locally based underwriting, claims, and safety management specialists
- Claims specialists regionally organized by specialty



Sophisticated tools for risk selection, pricing, and claims management

- Our proven ability to develop and integrate these tools gives us confidence that we can effectively manage profitability in a more uncertain loss trend environment



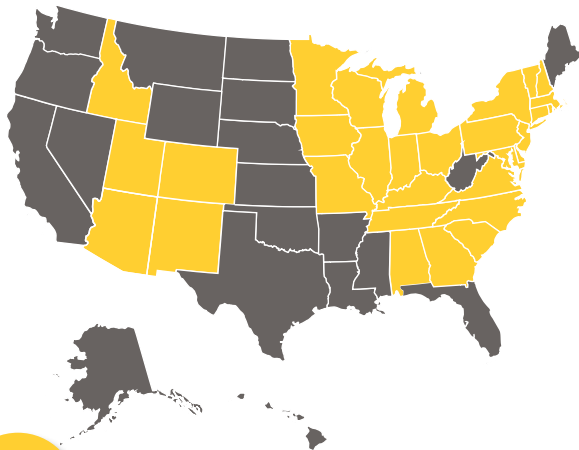
Superior omni-channel customer experience delivered by best-in-class employees

- Strong focus on customer experience
- Developing holistic solutions for 24-hour omni-channel shared experience
- Increased customer engagement
- Value-added services

Highly engaged and aligned talent across the organization

Super Regional with National Capabilities

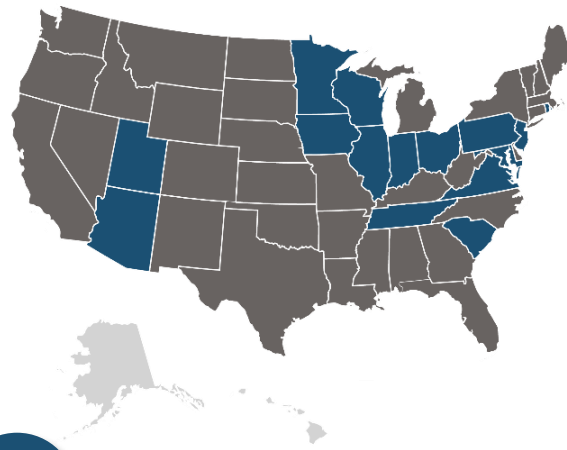
Standard Commercial (81% of NPW)



30 States & D.C.

Focus on maintaining growth and profitability targets in a more uncertain loss trend environment

Standard Personal (9% of NPW)



15 States

Shifted focus to “mass-affluent” market; price increases expected to accelerate in latter half of 2023

Excess & Surplus (10% of NPW)



50 States & D.C.

Strong growth and profitability; market dynamics remain supportive

Well-positioned for Continued Outperformance

Topline/ Underwriting

- Ongoing successful execution of 3% market share strategies and geo-expansion
- Strong NPW growth from rising prices, increased exposure, solid retention rates, and new business volumes
- Combined ratio guidance* of 96.5% for 2023; long-term 95% target



Pricing/ Loss Trends

- Decade-long track record of pursuing price increases in line with projected loss trend
- Continued loss trend uncertainty; projected commercial lines loss trend of 6.5%, with property lines at 7% and casualty lines at 6%
- Commercial lines pricing environment remains rational, particularly in property lines



Investments

- Prudently managed the investment portfolio to optimize risk/return in a rising interest rate environment
- Significant increase in book yield and credit quality; investment income projected to grow ~30% in 2023
- Investment leverage of 3.4x enables strong ROE contribution



Balance Sheet/ Risk Management

- Strong financial position – solid balance sheet, prudent reserving, and holding company liquidity well above targets
- Strong underwriting controls and exposure management to limit CAT loss volatility
- Increased reinsurance retentions at 1/1/23, while maintaining conservative program and increasing top layer limit

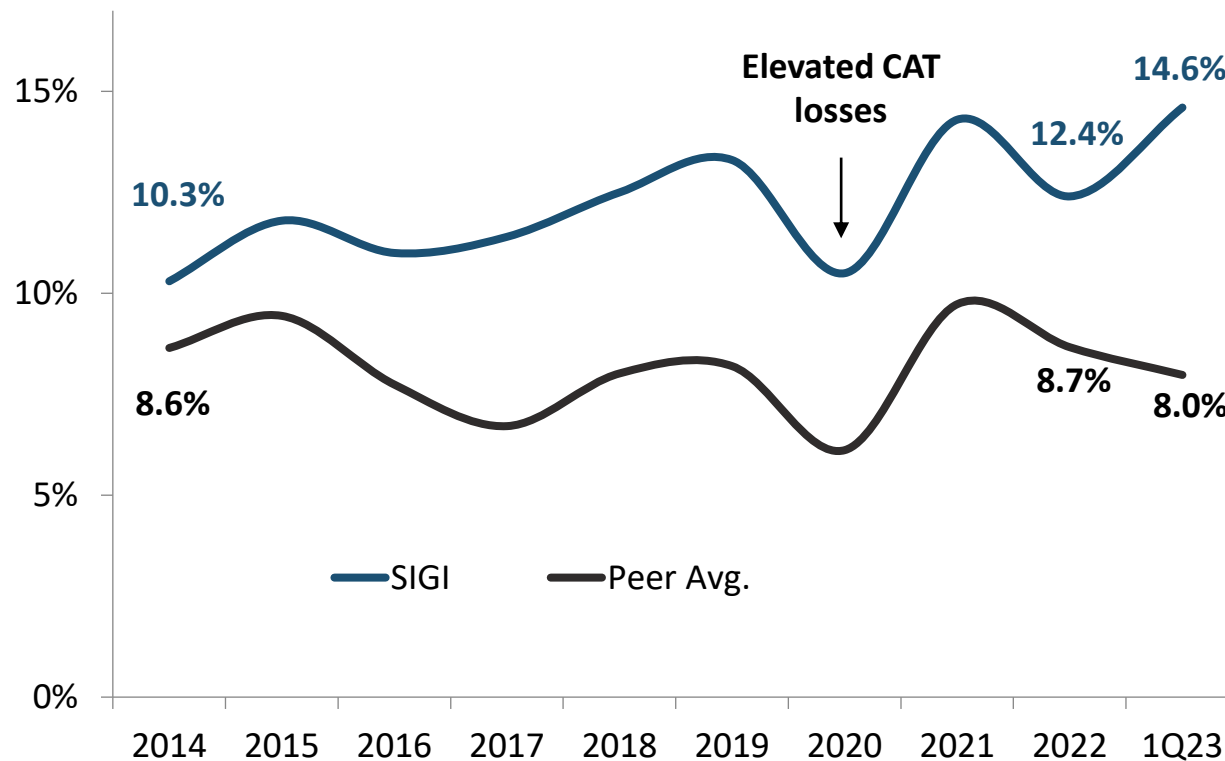


Our Key Accomplishments In 2022



Strong ROE Outperformance Relative to Peers

Historical Non-GAAP Operating ROEs*



Peer index includes TRV, HIG, CNA, CINF, THG, and UFCS

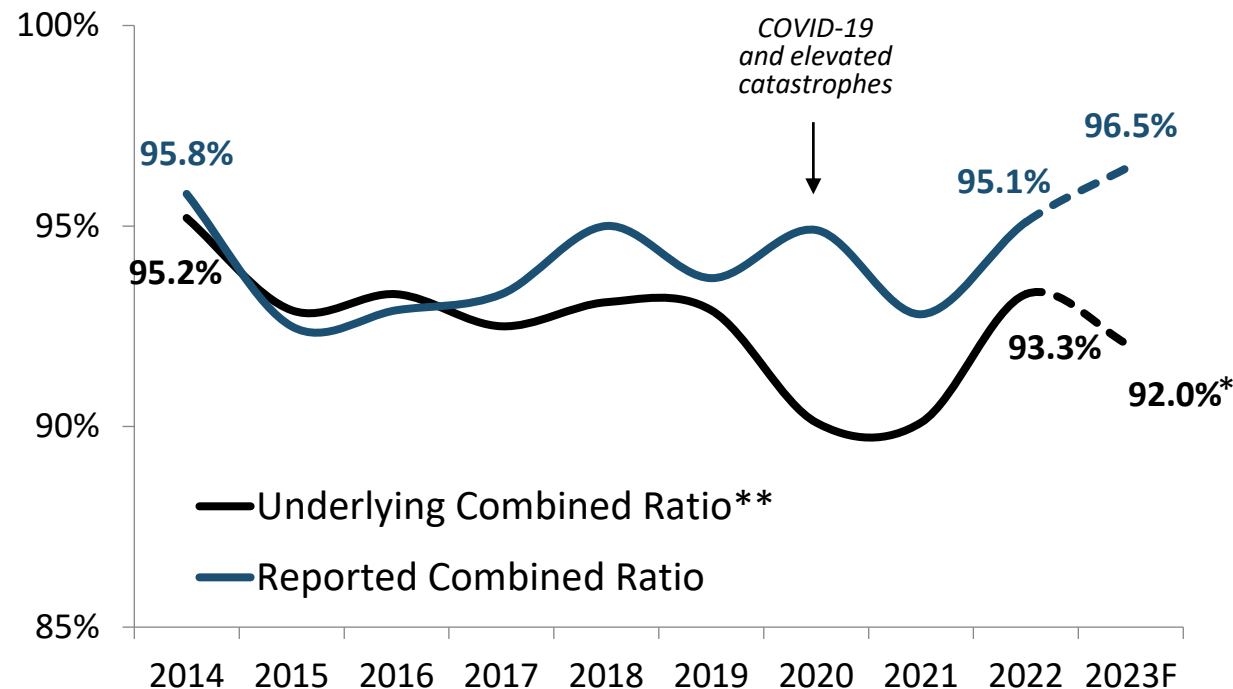
- 12.4% non-GAAP operating ROE* in 2022 and 14.6% in 1Q23 driven by:
 - Solid underwriting profitability
 - Manageable CAT losses
 - Strong investment contribution
- Track record of generating ROEs well in excess of our cost of capital and peer group averages



Nine consecutive years of double-digit non-GAAP operating ROEs* averaging 11.9% between 2014 and 2022

Excellent Historical Operating Results

Historical GAAP Combined Ratios



*2023F combined ratio estimate is ex-cat and assumes no additional prior year casualty reserve development

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

• 2022 Highlights

- GAAP combined ratio of 95.1%
- NPW growth of 12%
- After-tax net investment income of \$232 million

• 2023 Guidance¹

- GAAP combined ratio of 96.5% includes net catastrophe losses of 4.5 points and assumes no additional prior year casualty reserve development
- \$300 million of after-tax net investment income, including \$30 million from alternative investments
- 21% overall effective tax rate
- 61 million weighted average shares

Our Strategic Initiatives

Our Major Strategic Initiatives



Leverage Sophisticated Tools to Achieve Adequate Pricing

Deploy sophisticated underwriting and pricing tools to improve risk selection and 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

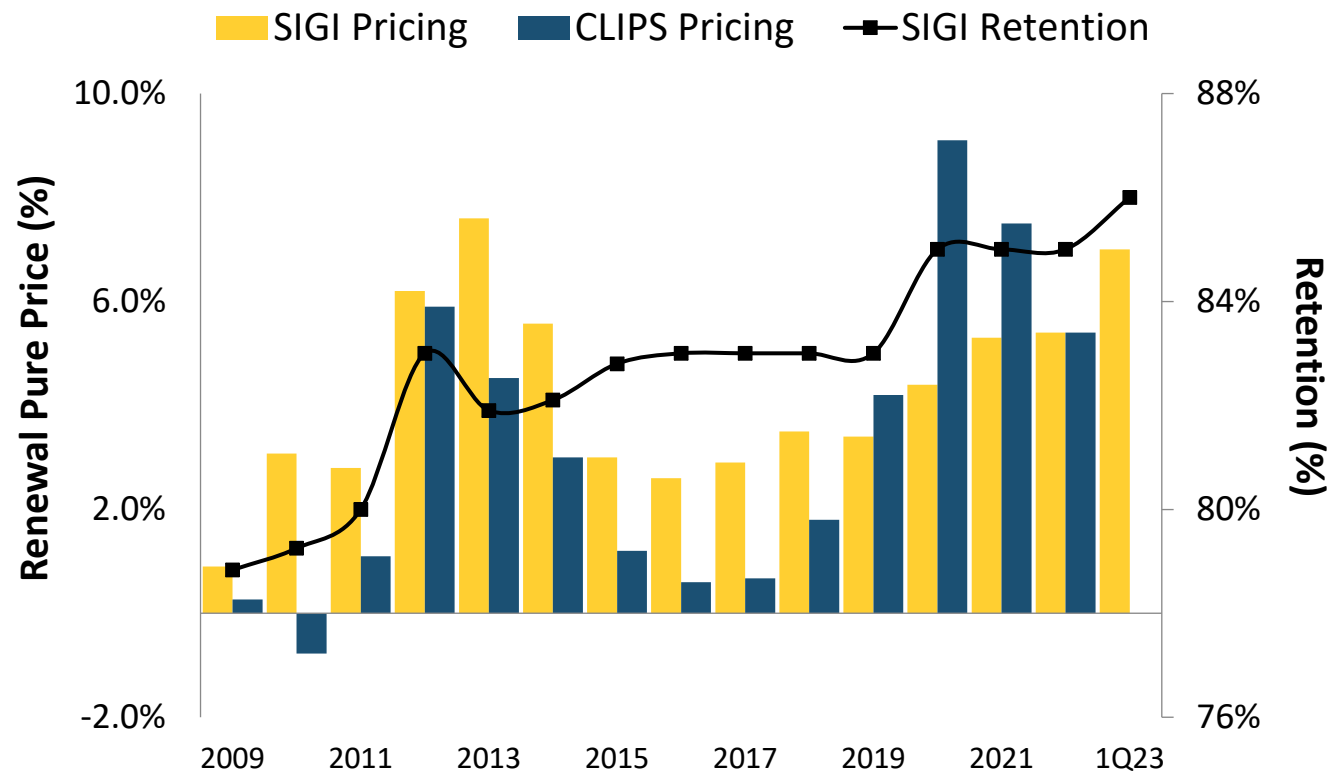


Culture Focused On Innovation and Sustainability

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

Consistently Achieving Price Increases In Alignment with Loss Trend

Commercial Lines Pricing and Retention



CLIPS: Willis Towers Watson Commercial Lines Insurance Pricing Survey; 1Q23 CLIPS pricing is not yet available

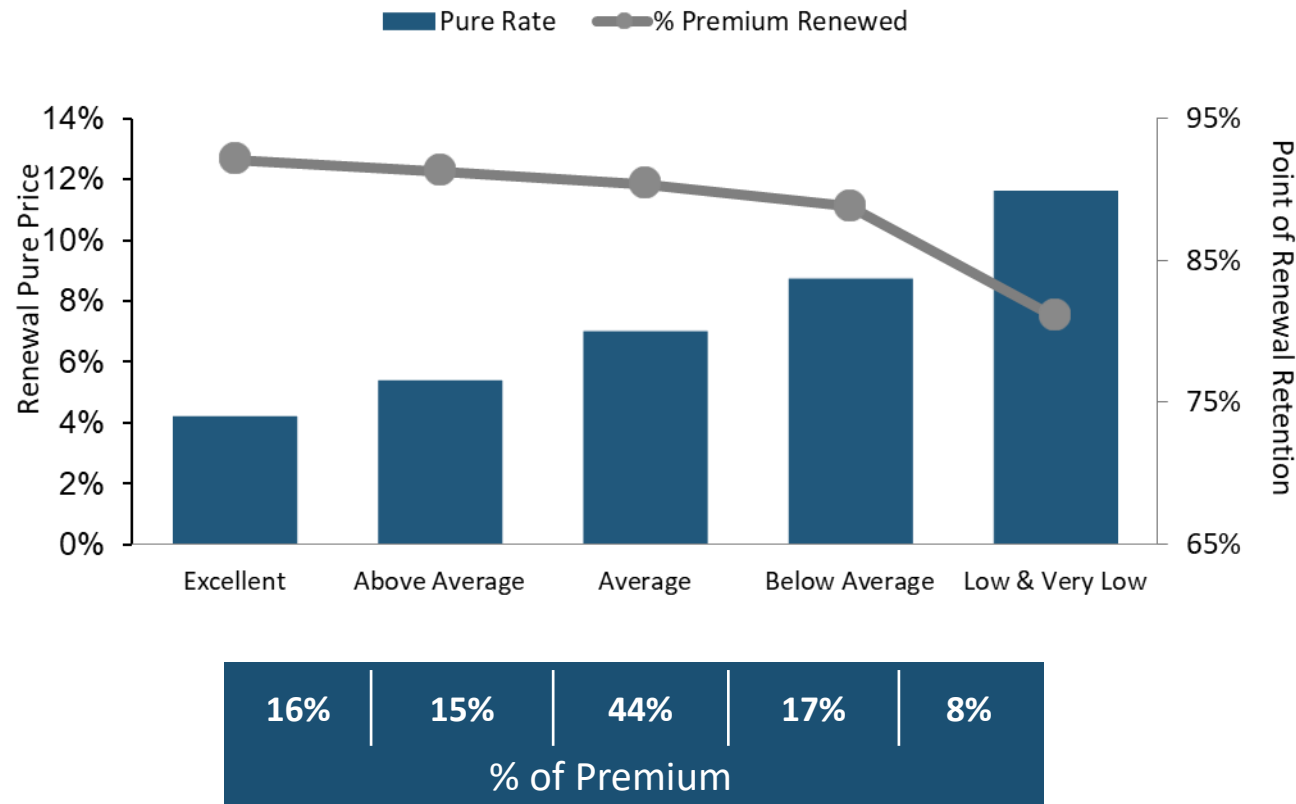
- Selective's renewal pure price increases exceeded industry average from 2009-2018
- Attractively priced book with strong embedded profitability
- Ability to obtain appropriate price enabled by:
 - Strong distribution partner relationships
 - Sophisticated tools and actionable data
 - Culture of underwriting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



Commercial Lines renewal pure price increases averaged 7.0% in 1Q23; up from 5.6% in 4Q22

Portfolio Approach to Pricing and Underwriting Helps Drive Business Mix Improvements

Commercial Lines Pricing by Retention Group



As of March 31, 2023

- 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

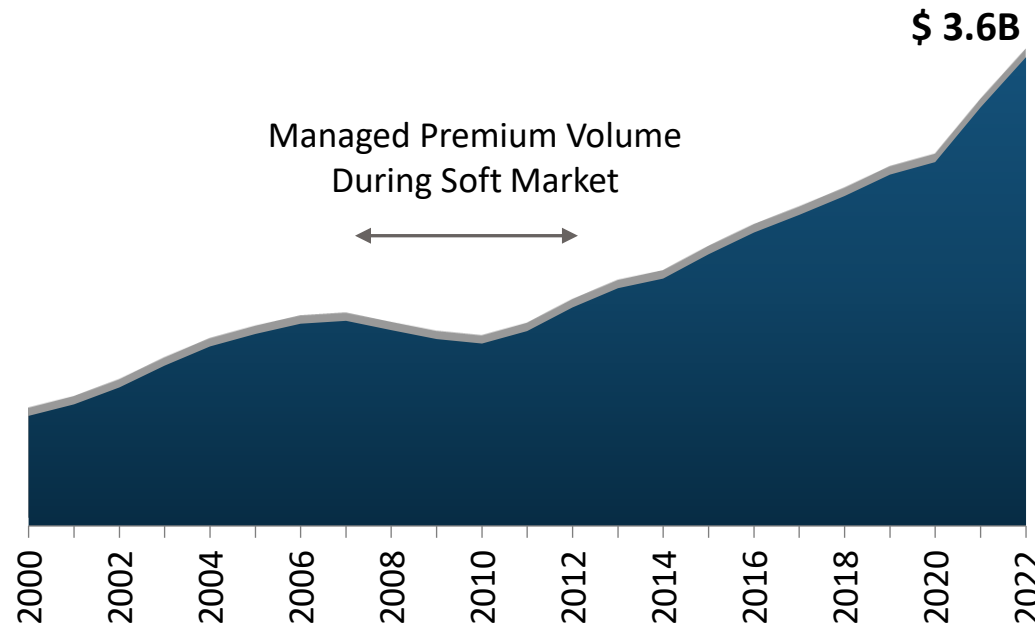


Strong focus on developing tools and technologies that enable more effective decision making

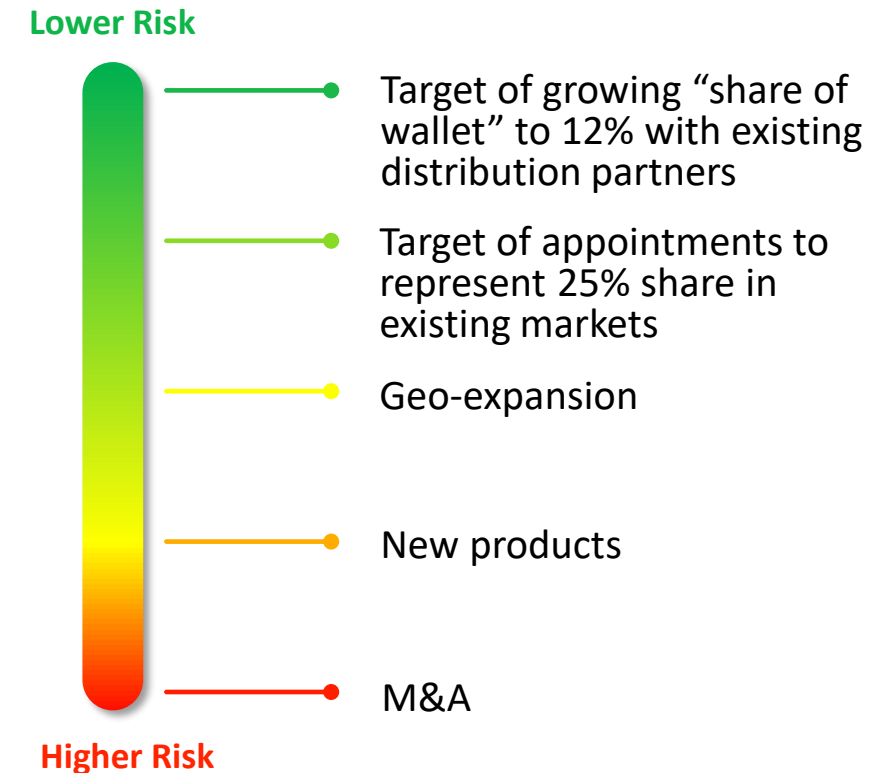
Targeting Profitable Growth Over Time

Delivered an 8% NPW compounded annual growth rate over the last nine years

Commercial Lines Pricing by Retention Group



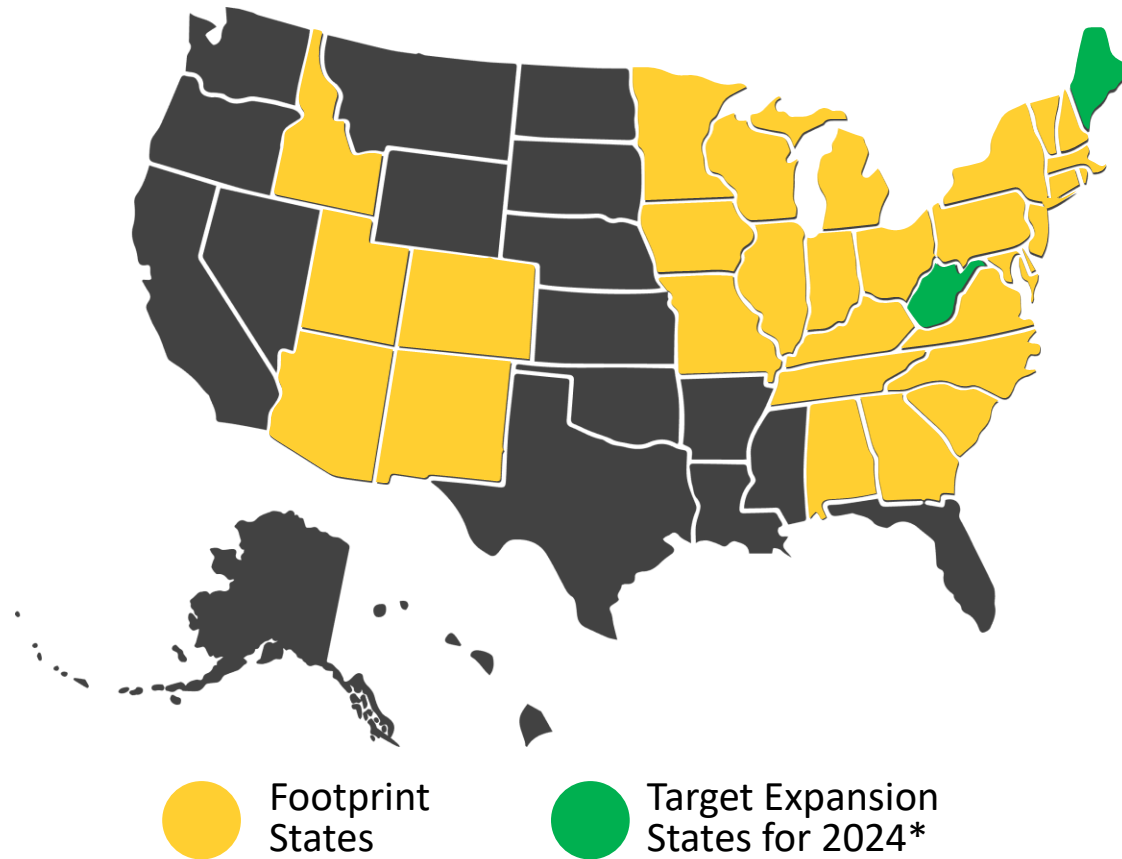
Commercial Lines Growth Drivers



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

Greenfield Geo-Expansion Enhances Growth Opportunities

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



Recent Timeline of our Disciplined Approach to Geo-Expansion

2017-2018

- Established new Southwest regional hub by entering AZ, CO, NM, and UT for Commercial Lines
- NH for Commercial Lines
- AZ and UT for Personal Lines

2022

- Expanded into VT in June 2022
- Expanded into AL and ID in October 2022

Early 2024 Target

- West Virginia and Maine*

Focus on Customer Experience to Drive Retention

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



Advancing Value-Added Services

Delivering services that help our insureds mitigate risk differentiates us in the market



Actionable Insights

Developing a “360-degree” view of the customer; partnering with agents to provide a seamless customer experience



Maximizing Digital Utilization

Providing an omni-channel customer experience in a 24/7 environment through customized proactive messaging for product recalls, notices of loss, and policy changes



A Culture of Strong Governance and Transparency

Sustainability Committee overseen by senior management
Diverse, engaged Board with strong oversight of key risk areas



Understanding and Attempting to Mitigate Climate Change Risk

Diverse, engaged Board with strong oversight of key risk areas
Publication of our inaugural TCFD report



Providing Customers with Responsive Claims Services and Risk Mitigation Solutions

Responsive claims service
Seamless omni-channel customer experience
Value-added tools and technologies to help mitigate customer risk

Developing Leadership in Sustainability and Corporate Social Responsibility



Having a Positive Impact on our Communities and Society

Safety Management services make our insureds and communities safer
The Selective Insurance Group Foundation makes philanthropic investments that strengthen our communities



Building a Highly Engaged Team of Employees and Leaders

Strong focus on attracting, retaining, and promoting the best talent
Emphasis on workplace flexibility
Significant initiatives to advance DE&I

Financial Overview

Lower Risk Profile and Strong Financial Strength

Conservative business and balance sheet profile allows higher operating leverage

A LOWER RISK PROFILE



RATINGS

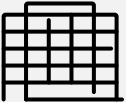


AM Best: A+

Fitch: A+

S&P: A

Moody's: A2

A Writer of Predominantly Low-To Medium-Hazard Risks

Percent of Policies with TIV ¹ or Limits of \$1M or Less		Property	Casualty
	Standard Commercial Lines	76%	86%**
	Standard Personal Lines	76%	96%
	E&S Lines	96%	99%

Notes:

Figures as of December 31, 2022

¹TIV refers to total insured value

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

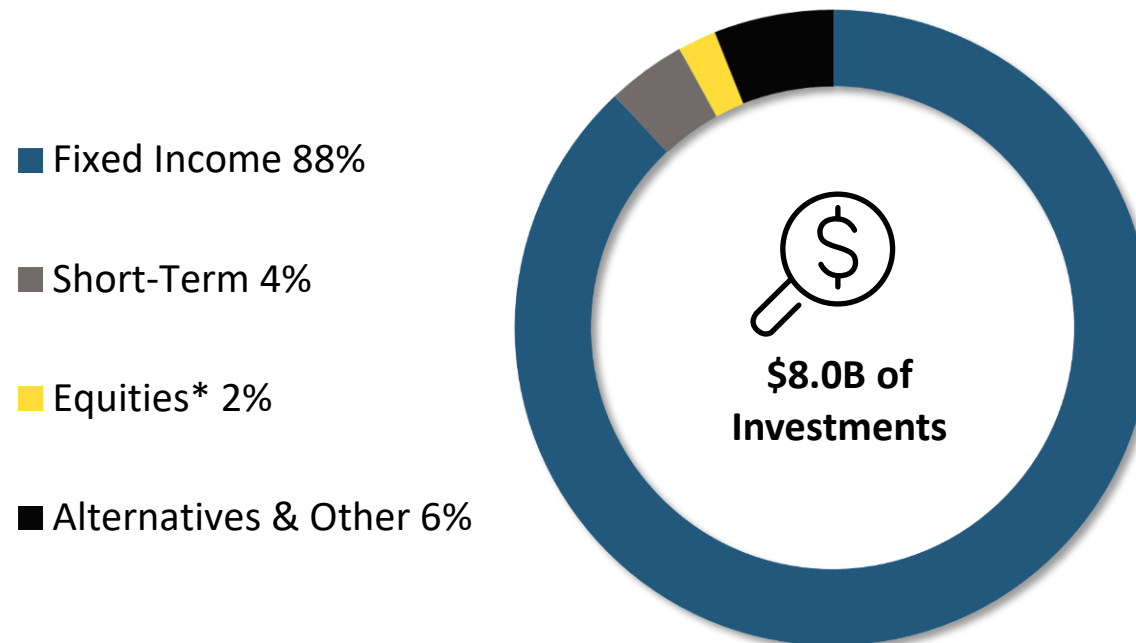
- Manage volatility of underwriting results, in part through maintaining a smaller limit profile
- Low account sizes (premium per policyholder) averaging:
 - \$15.3K for Standard Commercial
 - \$2.6K for Standard Personal
 - \$3.8K for E&S
- Low reinsurance attachment points for property (per risk) and casualty (per occurrence)



A low volatility portfolio of risks

Conservative Investment Portfolio

Investment Portfolio at 3/31/23



- Core fixed income and short-term investments comprised 93% of investment portfolio at 3/31/23
 - “AA-” average credit quality
 - Effective duration of 4.1 years
- Risk asset allocation (high yield, public equity, and alternatives) at 9.9% of invested assets
- Ongoing diversification of our alternative investments portfolio by strategy and vintage

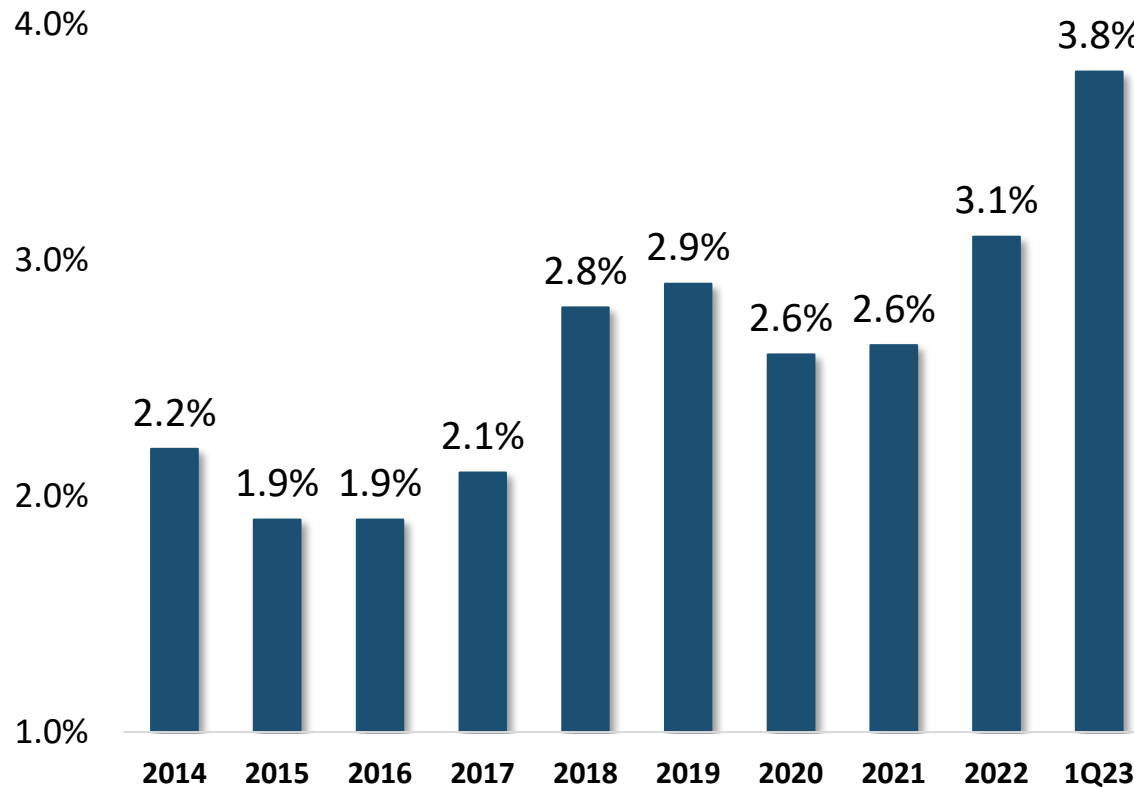


Conservative investment management philosophy, with a focus on highly rated fixed income securities

* Equities consist of publicly traded fixed income, exchange-traded funds, business development companies (BDCs), and interval funds

Active Portfolio Management Drives Investment Results

Historical After-Tax Fixed Income Portfolio Yields



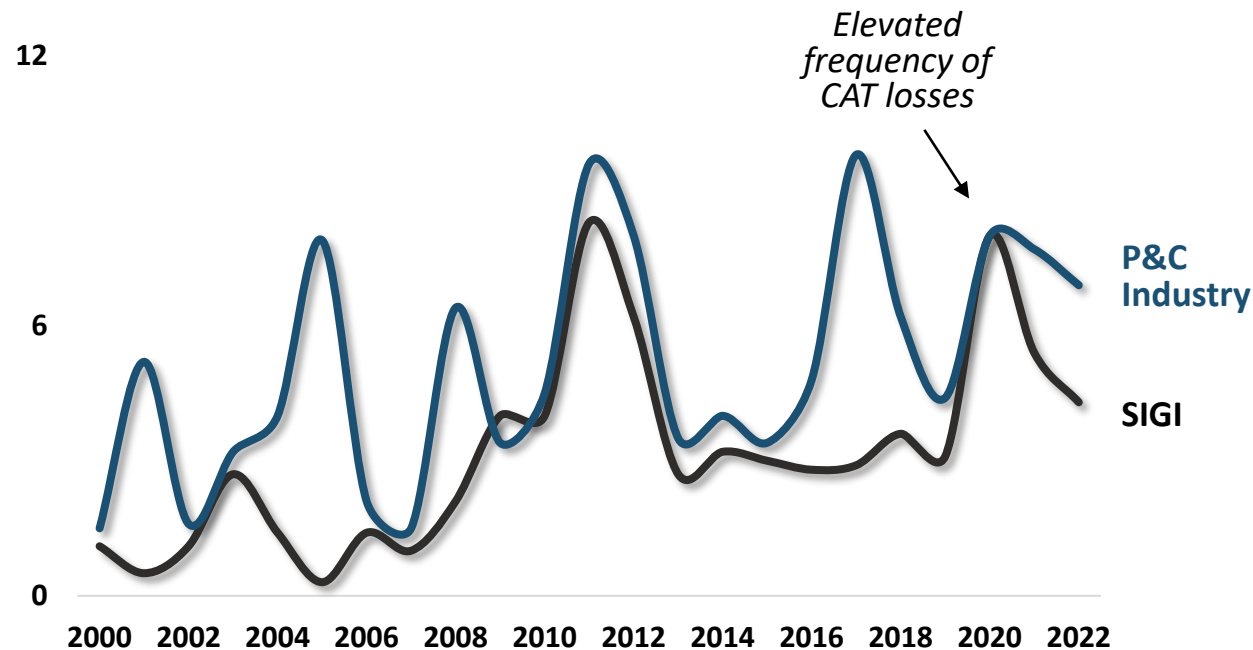
- Higher interest rates had helped new money reinvestment rates
 - \$2.7B of new money invested in 2022 and \$1.1B in 1Q23
 - Pre-tax book yield on fixed income portfolio up ~137 basis points since 12/31/2021
 - Every 100 basis points of incremental pre-tax investment return translates to ~260 basis points of additional ROE



After-tax yield on our fixed income portfolio was 3.1% in 2022 and 3.8% in 1Q23

Historical Catastrophe Loss Impact Below Industry Average

Impact of Catastrophe Losses on Combined Ratio



Note: Catastrophe impact for P&C industry based on AM Best estimates

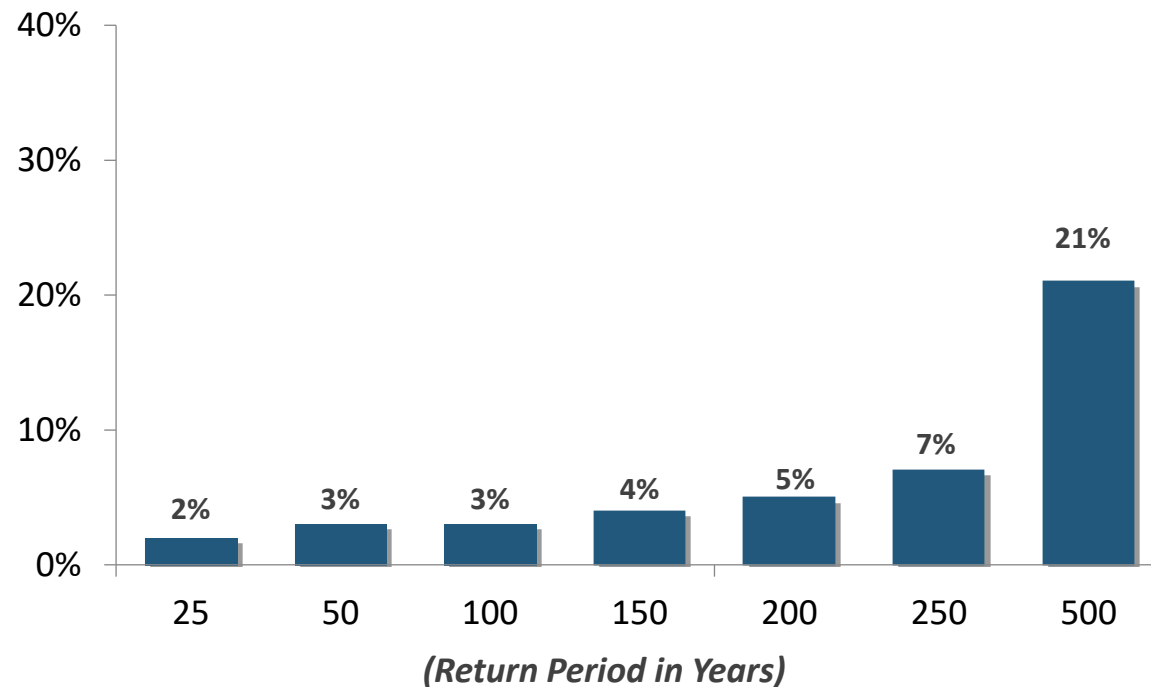
- Catastrophe loss impact over the past 20 years has averaged
 - 5.5 percentage points for the P&C industry
 - 3.5 percentage points for Selective
- Catastrophe loss mitigation initiatives include:
 - Strict guidelines for coastal properties
 - Focus on geographic diversification and growth that minimizes peak catastrophe aggregations
 - Conservative reinsurance program



Relatively low historical combined ratio volatility from catastrophe losses

Conservative Reinsurance Program

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



* Single event hurricane losses are net of reinsurance, after tax, and reinstatement premiums as of 1/1/23. GAAP equity as of 12/31/22.

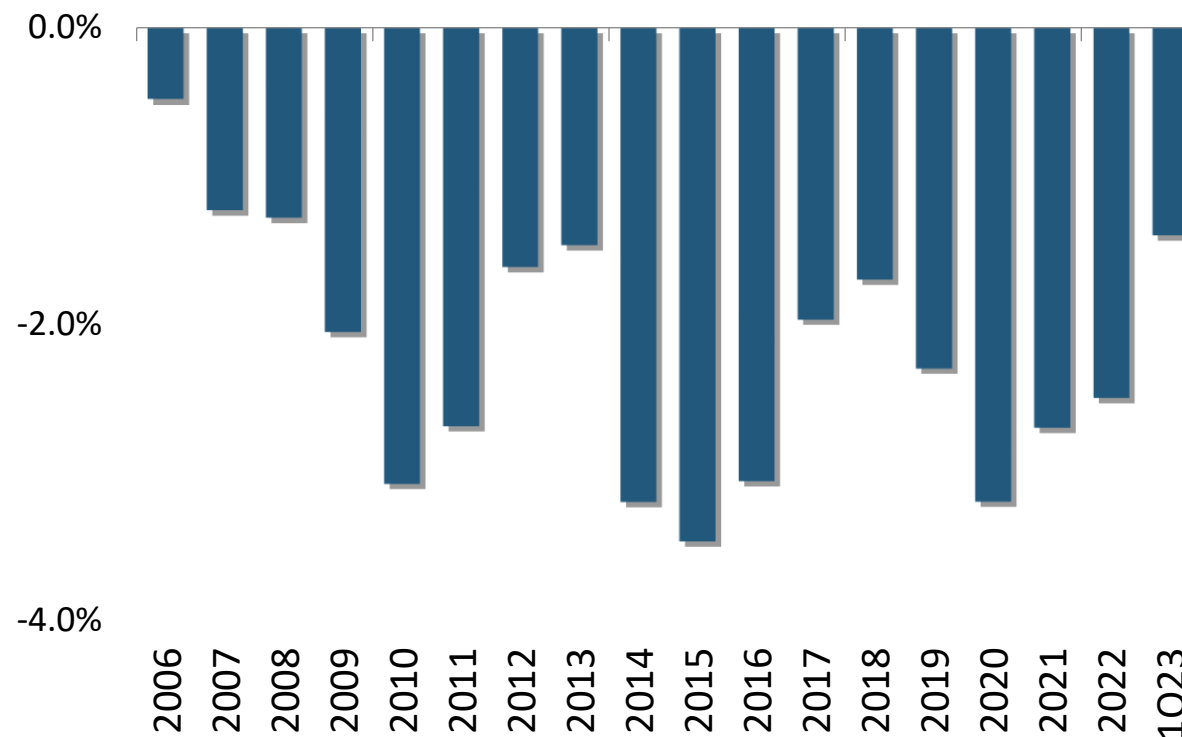
- 2023 property catastrophe treaty structure
 - Coverage of \$915M in excess of \$60M retention, with net purchased limits totaling \$810M
 - \$216M in collateralized limit, primarily in the top layer of the program
- Property XOL treaty covers losses up to \$67M in excess of \$3M retention on a per risk basis
- Casualty XOL treaty covers losses up to \$88M in excess of \$2M retention on a per occurrence basis



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

Strong Reserving Track Record

Impact of Casualty 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, General Liability, BOP, and Bonds in 2022; partially offset by adverse trends in Commercial Auto



Seventeen consecutive years of net favorable casualty reserve development

Strong Capital and Liquidity Position, Greater Expense Focus

Capital and Liquidity Plan

- Debt-to-capital ratio of 15.9%
- NPW-to-surplus ratio of ~1.46x is in the middle of our target range of 1.35x – 1.55x
- Parent company cash and investments totaling ~\$497M is in excess of our target of 2x annual recurring outflow
- Instituted opportunistic \$100M share repurchase authorization in 2020; \$84.2M remained as of 3/31/23
- Investing in the business currently provides the most attractive capital deployment opportunities



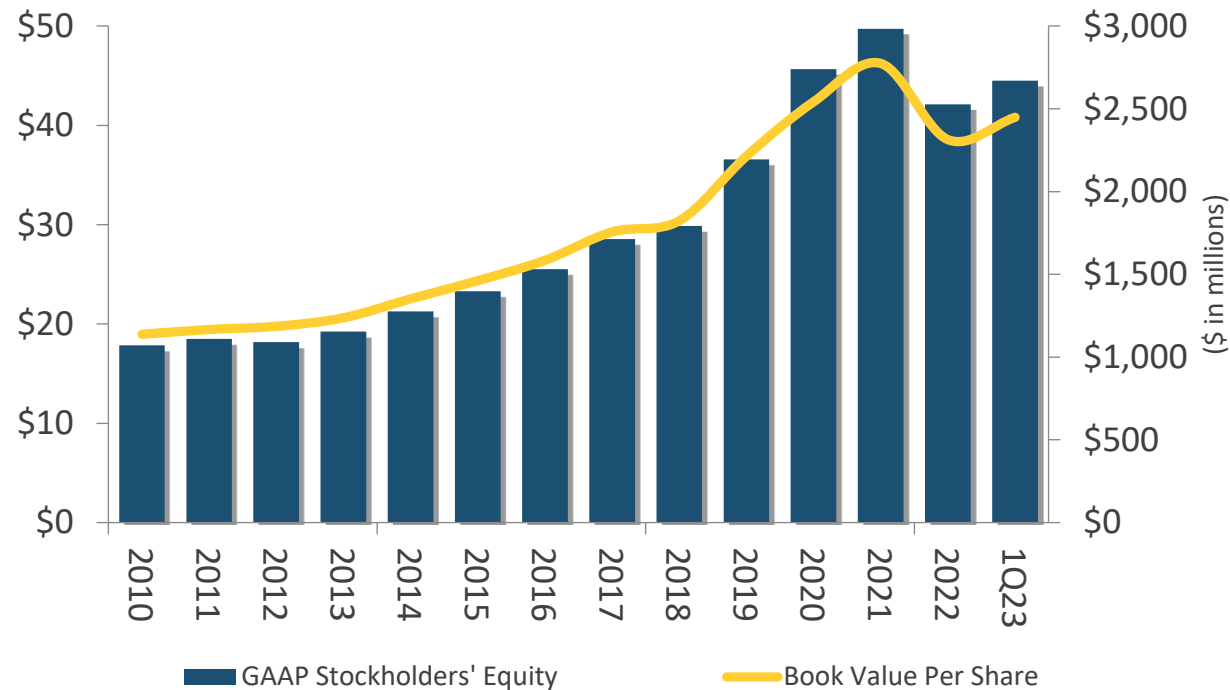
Expense Management

- Expecting expense ratio pressure in 2023 due to higher reinsurance costs; targeting improvement over the next few years
- **Areas for operational enhancements include:**
 - Workflow and process improvements
 - Robotics and artificial intelligence
 - Talent development
 - Product innovation



Focus on ROE and Growth in Book Value Per Share*

Strong Track Record of Book Value per Share Growth and Shareholder Value Creation Over Time



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



Superior growth in book value per share

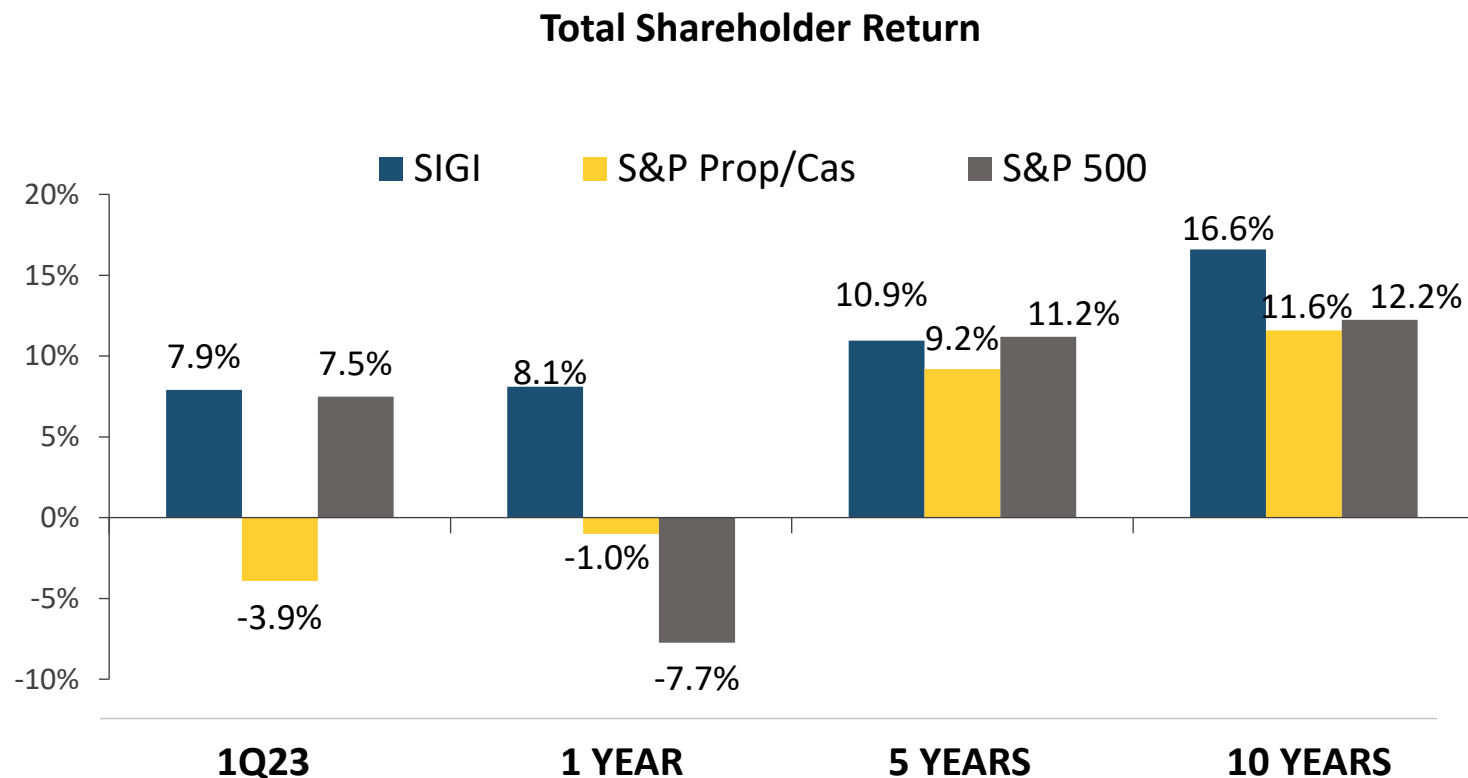


Expected higher total shareholder returns over time

*Book value per share decreased 17% for 2022 compared to 2021 primarily due to increased net unrealized losses. Adjusted book value per share increased 5% for 2022 compared to 2021.

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

Total Shareholder Returns Have Outperformed Benchmarks Over Longer Term



Note: Total shareholder return calculations for 1, 5, and 10 years are as of March 31, 2023

- Solid long-term outperformance in TSR relative to S&P P&C insurance and S&P 500 indices
- Common stock price performance has reflected our ability to generate strong and consistent financial results



Our common stock has performed well against peers and equity markets recently, and over the past 5- and 10-year periods

Our Value Proposition



Leveraging our competitive strengths to generate sustained financial outperformance

A distribution model that emphasizes franchise value: We appoint and having meaningful, close business relationships with high-quality, independent distribution partners, who value us and our business model, and provide us opportunities to grow profitably with them

Unique field model enabled by sophisticated technology

Strong customer experience



Excellent growth opportunities within footprint and through 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

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