



SELECTIVE®

INVESTOR DAY PRESENTATION
SETTING THE STAGE FOR
SUSTAINED OUTPERFORMANCE

SELECTIVE INSURANCE GROUP, INC.

November 9, 2017

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 “operating earnings per share,” “operating income,” and “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.



SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

Greg Murphy - Chairman and Chief Executive Officer



SELECTIVE: A SUPER-REGIONAL COMPANY

CAPABILITIES OF A NATIONAL
&
RELATIONSHIPS OF A REGIONAL

24 state footprint → significant expansion plans

\$3.4B Market Cap (as of 11/6/17)

90+ years of financial STRENGTH and
SUPERIOR execution

\$1.7B GAAP Equity (as of 9/30/17)

\$2.4B NPW forecast for 2017

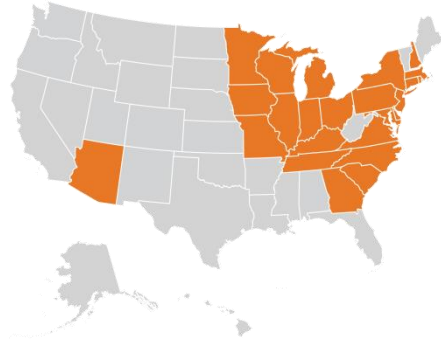
92% Stat Combined Ratio (as of 9/30/17)

Our YTD combined ratio is 18 points better than the expected industry average for the full-year 2017



THREE SEGMENTS FUEL DIVERSIFICATION FOR GROWTH AND PROFITABILITY

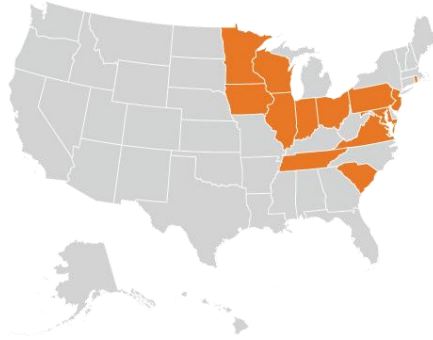
Standard Commercial



24 States

1,250 distribution partners

Standard Personal



13 States

700 distribution partners

E&S and Flood



All **50** States

80 wholesale distribution partners
5,000 Flood distribution partners

YTD 9/30/17 Net Premiums Written Breakdown

79%

12%

9%

UNDERWRITING DIVERSIFICATION IMPROVES PERFORMANCE

COMMERCIAL LINES



- Unique model – drives new business growth
- Profitable renewal inventory management balancing margin/rate and retention targets
- Record profitability in recent years

PERSONAL LINES



- Complements standard CL business
- Homeowners at target profitability levels
- Auto improvement through pricing, growth and expense initiatives
- Flood business (NFIP – WYO program) acts as hedge from catastrophe losses

EXCESS & SURPLUS



- Extension of what we already write in commercial lines
- Opportunistic strategy – drive price and business mix to improve profitability and diversify geography
- Long term goal is for consistent target margins

Strategy in each segment is underpinned by a strong focus on customer experience

SUSTAINABLE COMPETITIVE ADVANTAGES SET US APART

	INDUSTRY	SELECTIVE
True franchise value with “ivy league” distribution partners	<ul style="list-style-type: none"> 38,500 agents in industry Split business model – small vs. medium/large Slow growth 	<ul style="list-style-type: none"> 1,250 distribution partners Business plan to increase share of wallet Capabilities of a national with local relationships
Unique field model enabled by sophisticated tools and technology	<ul style="list-style-type: none"> Socialized experience, not unique or responsive Buyer/supplier changing dynamics 	<ul style="list-style-type: none"> Unique, locally-based underwriting, claims and safety management specialists Agile capability and excellent data analytics
Superior customer experience delivered by best-in-class employees	<ul style="list-style-type: none"> Multiple technology platforms makes integration difficult Challenged relationship model 	<ul style="list-style-type: none"> Nimble, strategic execution New/renewal pricing capabilities and feedback loop Holistic solution for 24-hour shared experience
Above-average leverage enhances ROEs	<ul style="list-style-type: none"> Lower operating and investment leverage, and higher combined ratio Premium dollars needs to work harder to generate the same ROE 	<ul style="list-style-type: none"> Higher operating and investment leverage enhances ROEs Conservative balance sheet management

INDUSTRY FACING TURBULENCE

HEADWINDS

- Record low interest rates and macro uncertainty around inflation, growth, GDP and taxes
- Competitive pricing environment and higher reinsurance costs
- New entrants and digitization
- Buyer/supplier changing dynamics
- Increased expectations around customer experience with 24-hour service capability

TAILWINDS

- 2017 ROE forecast of “0%”
- Underwriting improvement only through renewal pure pricing power
- Potential for more favorable regulatory and tax environment
- Deliver value-added products/services, sensors, and other technologies, to enhance relevance and increase “switching costs”



FINANCIAL AND OPERATING OVERVIEW

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

Mark Wilcox – EVP, Chief Financial Officer



SELECTIVE®

STRONG CAPITAL POSITION AND OPERATING PERFORMANCE



OVERVIEW

- Business model
- Operating segments
- Reinsurance, reserves, and catastrophe losses
- Underwriting margins and guidance
- Capital and liquidity management

Conservative balance sheet and strong operating performance

LOWER RISK PROFILE AND STRONG FINANCIAL STRENGTH

A Lower Risk Profile

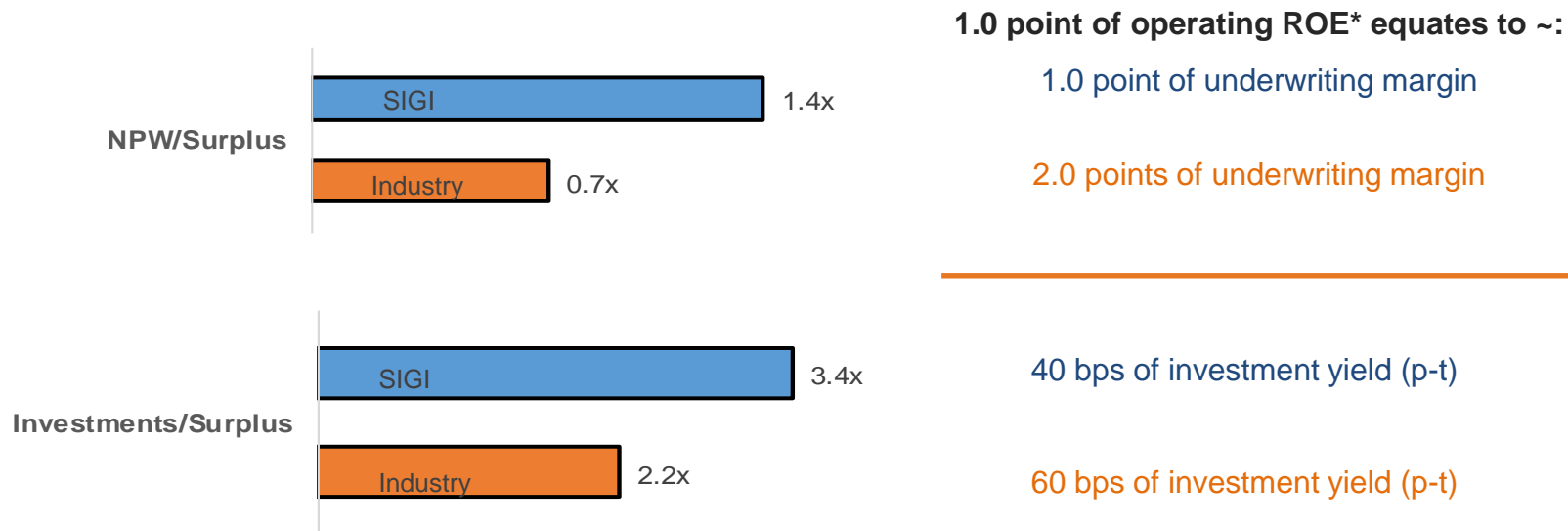


Strong Financial Strength Ratings

A.M. Best	A
Fitch	A+
Moody's	A2
S&P Global	A

Lower risk profile allows for higher operating leverage – a differentiated business model

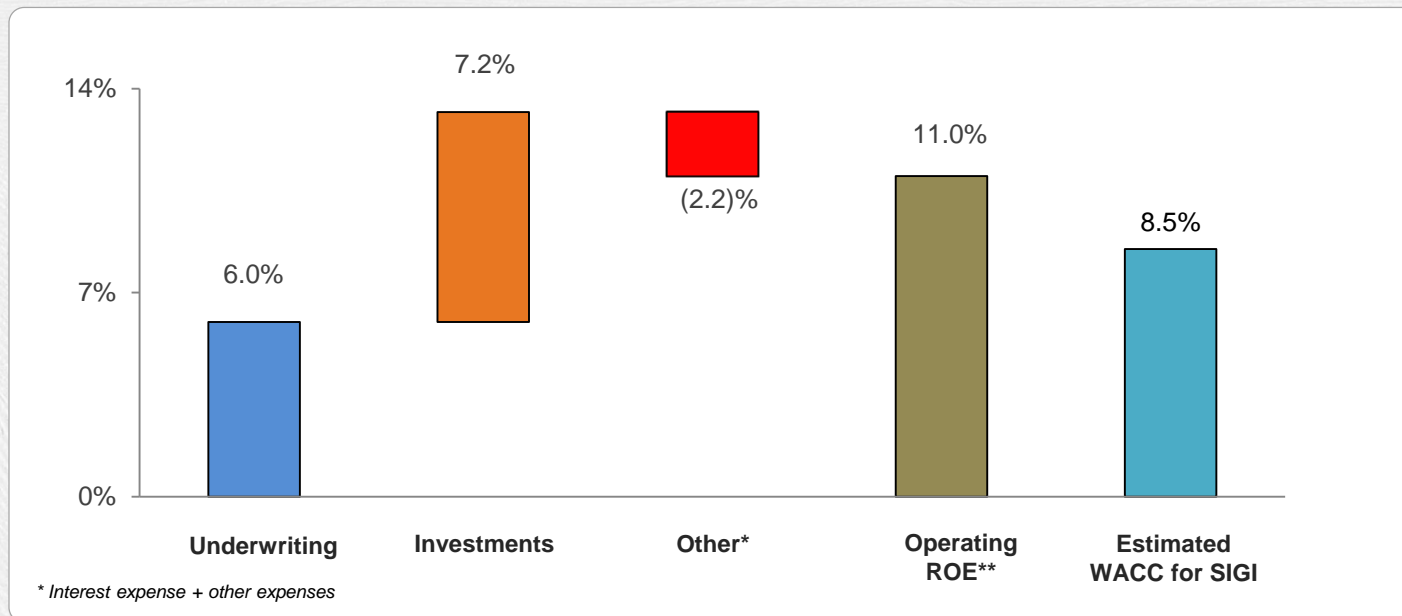
HIGHER UNDERWRITING AND INVESTMENT LEVERAGE HAS HELPED ROE



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

At current interest rates, SIGI can generate attractive ROEs compared to the industry

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

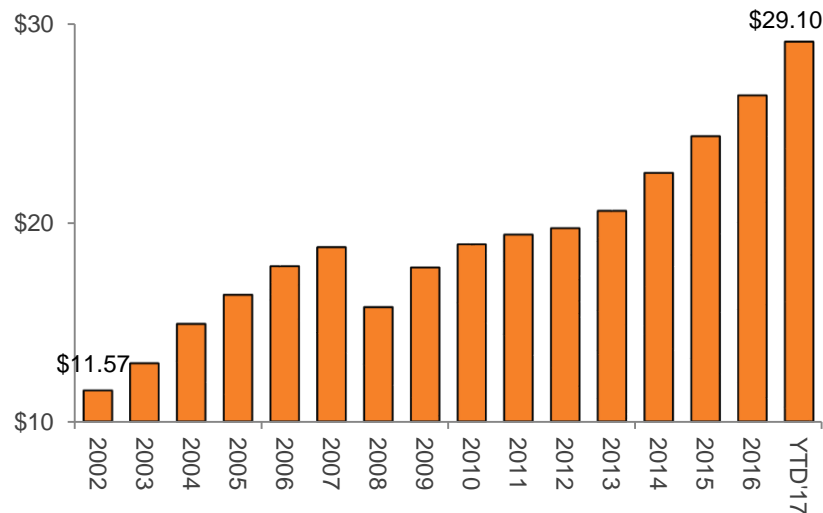


** Refer to "Safe Harbor Statement" on page 2 of this presentation for further detail regarding certain non-GAAP financial measures. ROE reconciliation is for the first nine months of 2017

Operating ROE** in Line With Long-Term Target for 2017

A FOCUS ON BOOK VALUE PER SHARE GROWTH AND OPERATING ROE*

Historical Book Value per Share Growth



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



Superior growth in book value per share



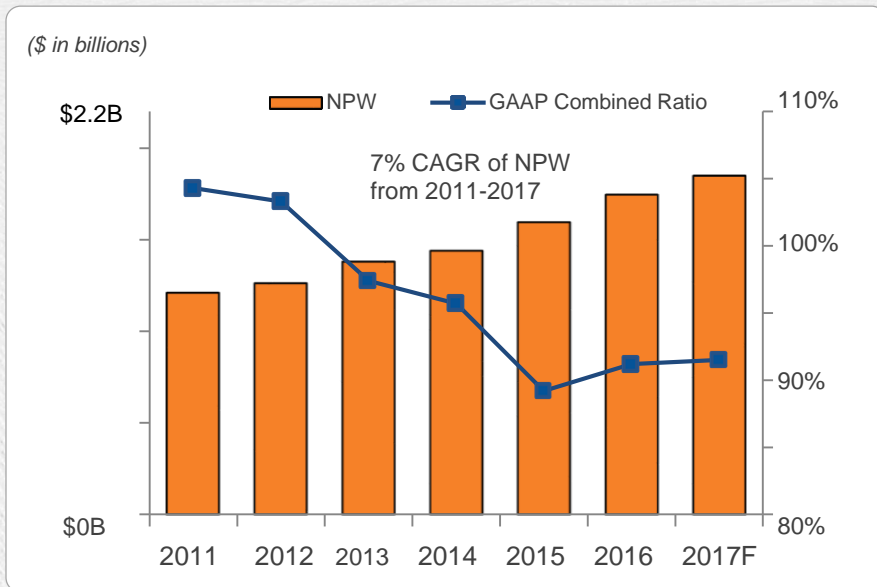
Higher total shareholder returns over time

* Refer to "Safe Harbor Statement" on page 2 of this presentation for further detail regarding certain non-GAAP financial measures.
Note YTD'17 as of 9/30/2017

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



STANDARD COMMERCIAL (79% OF BUSINESS): A PROFIT ENGINE



Note: 2017 NPW figures based on year-end forecast, 2017 reported GAAP combined ratios as of 9/30/17

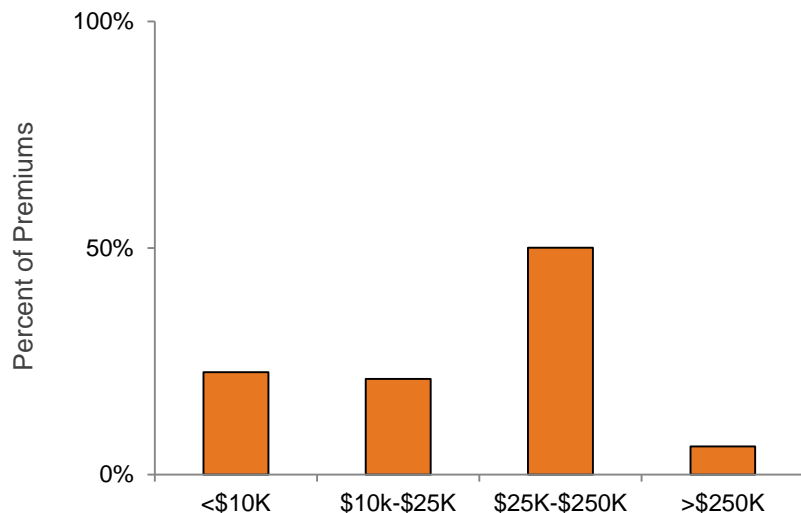
- Focused on disciplined and profitable growth
- Drivers of profitability are:
 - Price increases that exceed loss costs
 - Underwriting mix improvement
 - Enhanced claims outcomes
 - Expense management

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



WRITER OF SMALL- AND MID-MARKET COMMERCIAL ACCOUNTS

Premium Breakdown by Account Size (YTD 9/30/17)

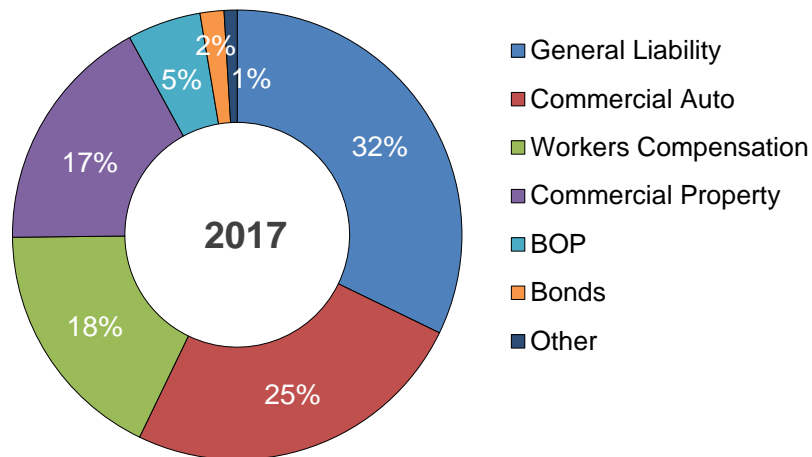


- Small account size and low- to medium-hazard business mix in Commercial Lines:
 - Average account size of \$11K
 - Approximately ~80% of property and 87% of casualty policies within \$1M limit
 - Underwriting guidelines limit coastal exposures
 - Expansion states will help further diversify book

Strong focus and expertise in the small- and mid-market end of the Commercial Lines space

A CASUALTY-FOCUSED BOOK OF BUSINESS

Breakdown of Net Written Premium by Line

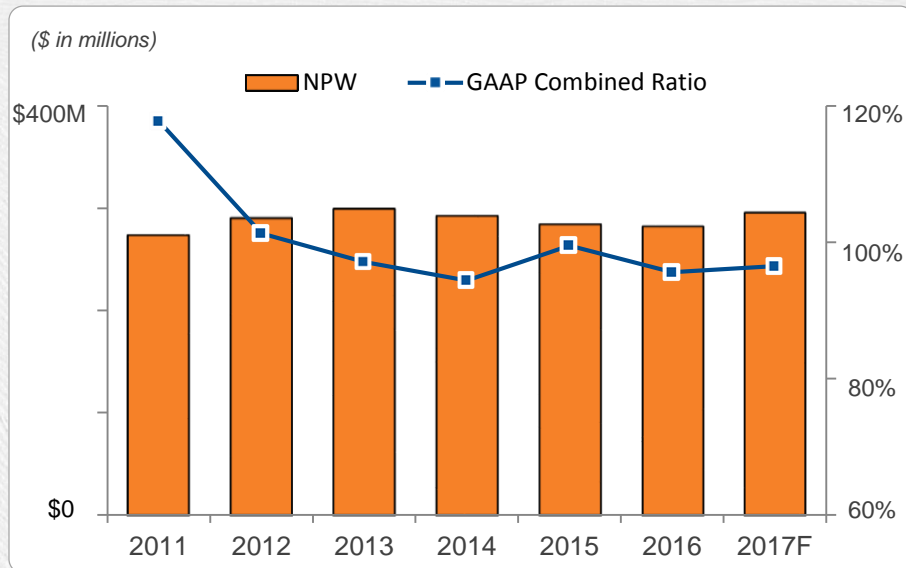


As of YTD 9/30/17

- Account underwriter, with each line underwritten and priced separately
 - Centralized line of business and strategic business unit expertise
 - Diversified across industry verticals
-
- General liability, workers compensation, and property have been strong performers in recent years
 - Commercial auto results have been challenged, but pricing is improving

Benign loss trends have enabled strong performance, but pricing in most lines is competitive

STANDARD PERSONAL LINES (12% OF BUSINESS): GREATER FOCUS ON AUTO



Note: 2017 NPW figures based on year-end forecast, 2017 reported GAAP combined ratios as of 9/30/17

HOMEOWNERS

- Profitability at target 90% combined ratio in normal CAT year (14 points on the combined ratio)
- Continue to diversify writings across footprint

PERSONAL AUTO

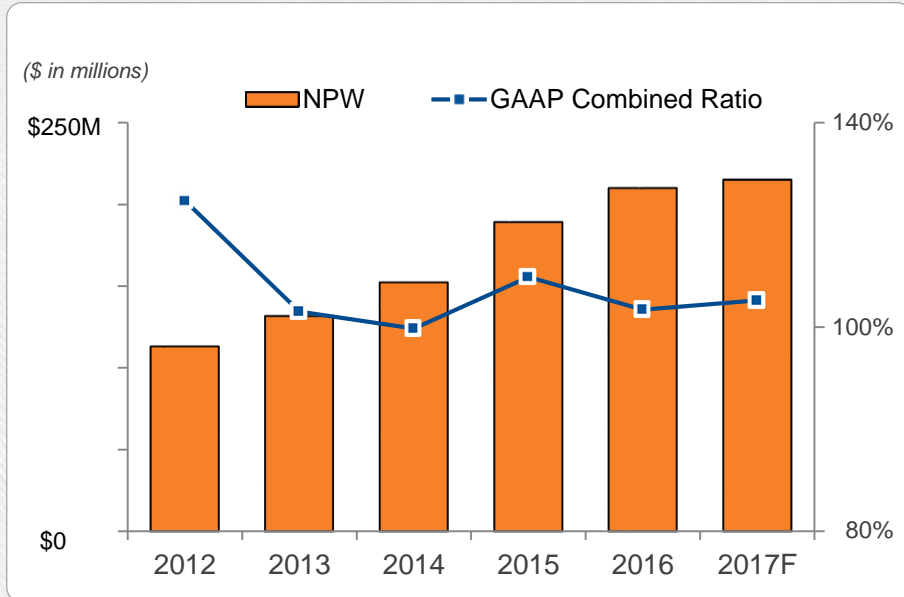
- Growth benefiting from firmer pricing
- Rate and expense improvement

FLOOD

- Fifth largest writer of government-backed "Write Your Own" flood insurance; a partial hedge for catastrophe losses

Recent uptick in Personal Auto price increases resulting in more growth opportunities

EXCESS & SURPLUS (9% OF BUSINESS): TARGETING IMPROVED MARGINS



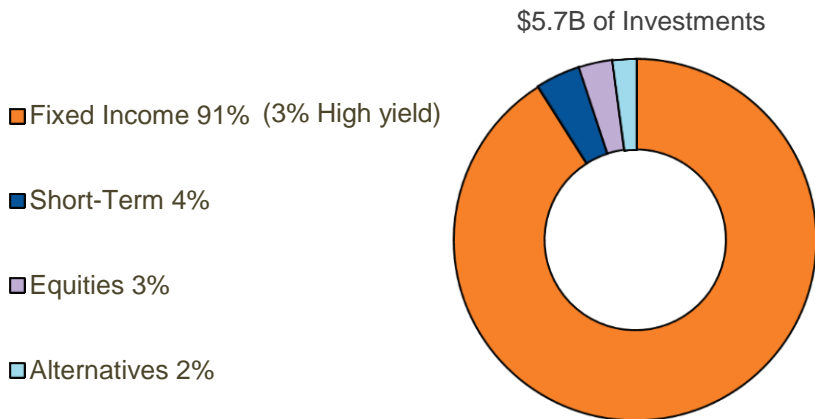
Note: 2017 NPW figures based on year-end forecast, 2017 reported GAAP combined ratios as of 9/30/17

- Top-line being managed opportunistically, and will float up or down based on market conditions
- Significant targeted price increases being implemented to drive profitability
- Our E&S business has a lower-risk profile:
 - Average policy size below \$3K
 - 98% of policies within \$1M limit
 - Exclusions for CA earthquake, FL wind, and most flood
- Casualty-oriented book with modest exposure to third quarter catastrophe losses

Long-term target for E&S – consistent target margins

CONSERVATIVE INVESTMENT PORTFOLIO

Investment Portfolio Breakdown (as of 9/30/17)

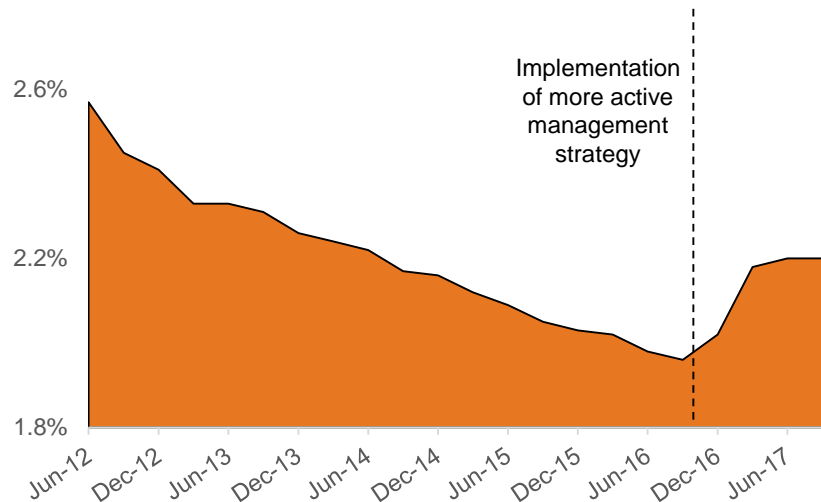


- Fixed income and short-term investments comprise 95% of the investment portfolio:
 - “AA-” average credit quality
 - Effective duration of 3.6 years
- Long-term target of 10% allocation to risk assets
 - Ongoing work to further diversify our alternative investments portfolio

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

GENERATING YIELD IN A LOW INTEREST RATE ENVIRONMENT

Fixed Income Portfolio After-tax Yields

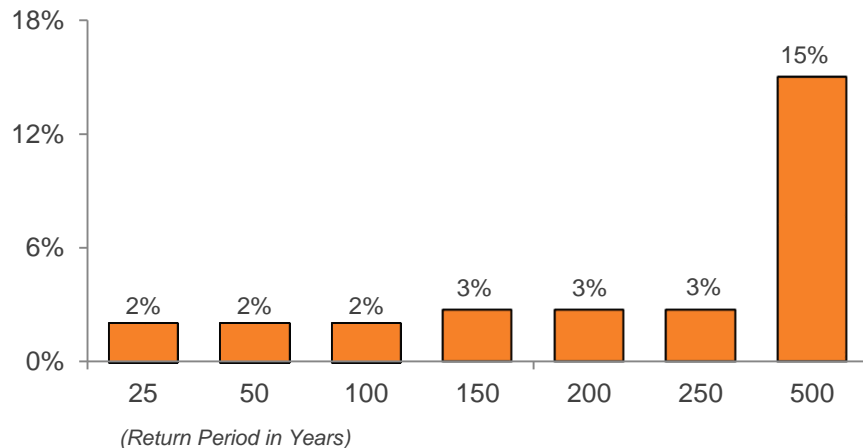


- Shift to more active management of investment portfolio in late 2016:
 - Three new investment grade fixed income investment managers
 - New high yield fixed income manager
 - No meaningful change to interest rate risk
 - 19% of fixed income portfolio comprised of floating rate securities at 9/30/17
- Fixed income portfolio restructuring largely complete

More active investment management stance with no meaningful change to investment risk profile

CONSERVATIVE REINSURANCE PROGRAM

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



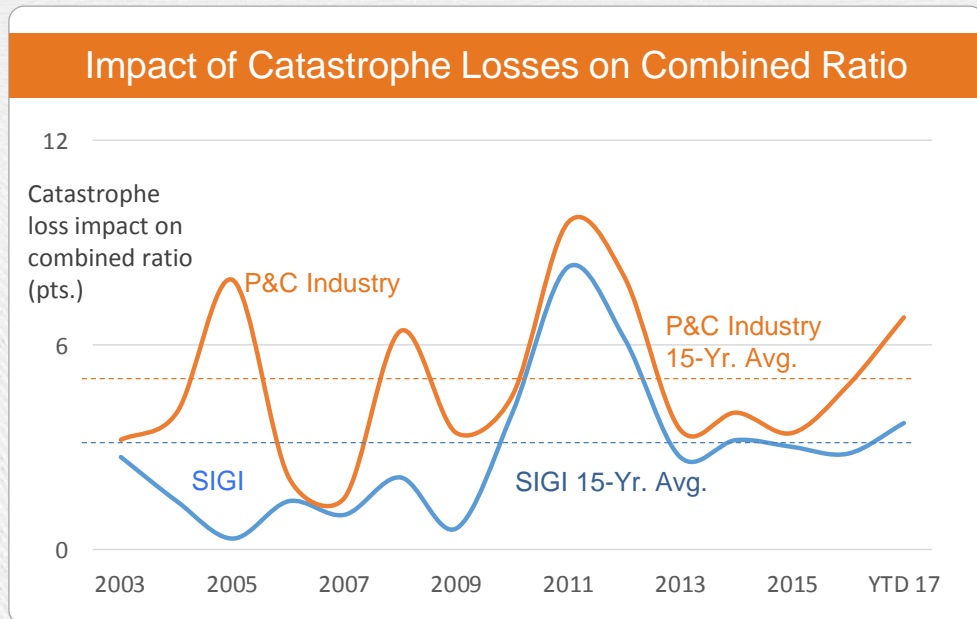
* Single event hurricane losses are net of reinsurance, after tax, and reinstatement premiums as of 7/1/17
Equity as of 9/30/17

- 2017 property catastrophe treaty structure:
 - Coverage of \$685M in excess of \$40M retention (up to 1-in-260 year event level)
 - \$201M of limit 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

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



CATASTROPHE LOSS IMPACT HAS BEEN BELOW INDUSTRY AVERAGE



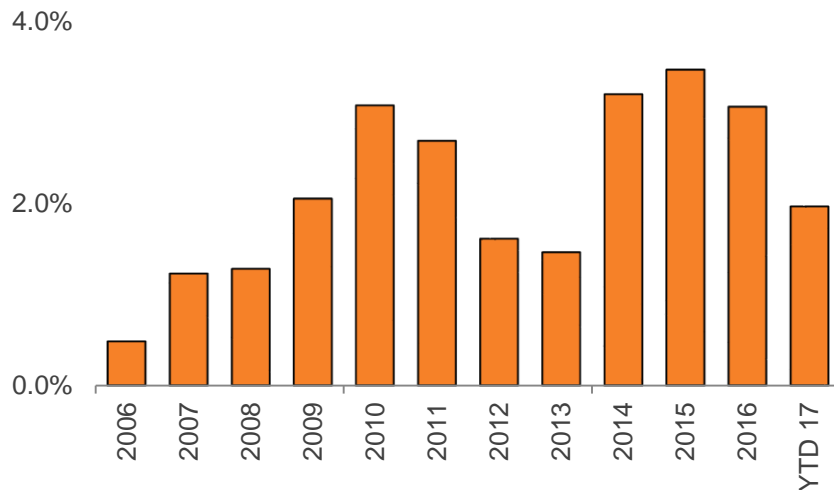
Note: Catastrophe impact for P&C industry based on A.M. Best estimates; YTD impact based on 9M'17 results for SIGI and 6M'17 results for P&C industry

- Catastrophe loss impact over the past 15 years has averaged:
 - 4.9 percentage points for the P&C industry
 - 2.9 percentage points for SIGI
-
- Catastrophe loss mitigation initiatives include:
 - Strict guidelines around coastal properties
 - Focus on geographic diversification and growth that minimizes peak CAT aggregations

Relatively low historical volatility from catastrophe losses on the combined ratio

A STRONG RESERVING TRACK RECORD

Impact of Reserve Development on our Combined Ratio

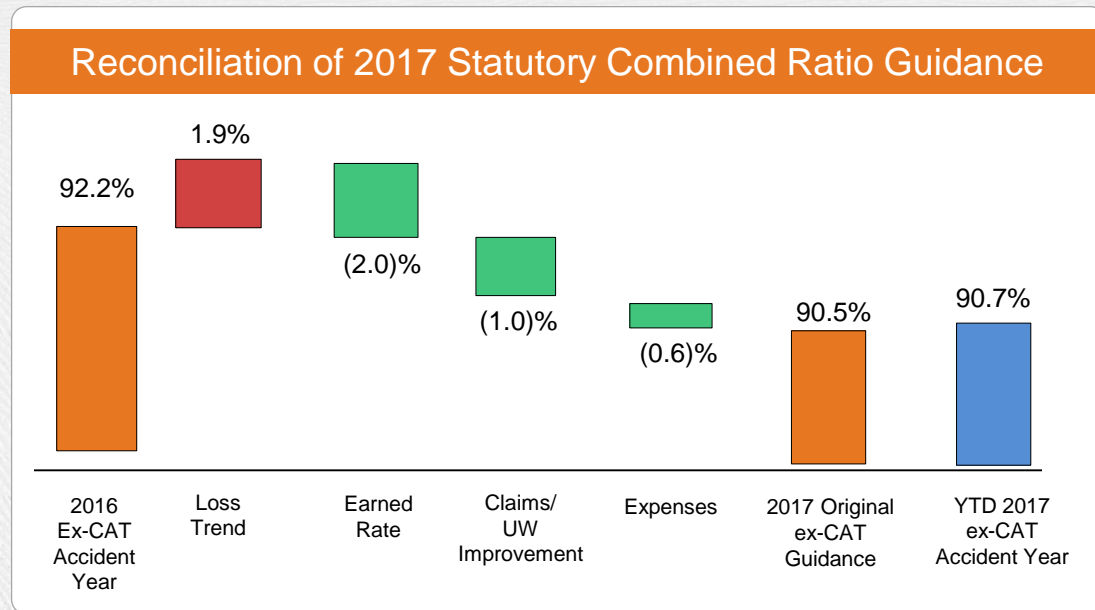


YTD 17 as of 9/30/17

- 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

47 consecutive quarters of net favorable reserve development

2017 COMBINED RATIO PLAN – UNDERLYING MARGIN IMPROVEMENT

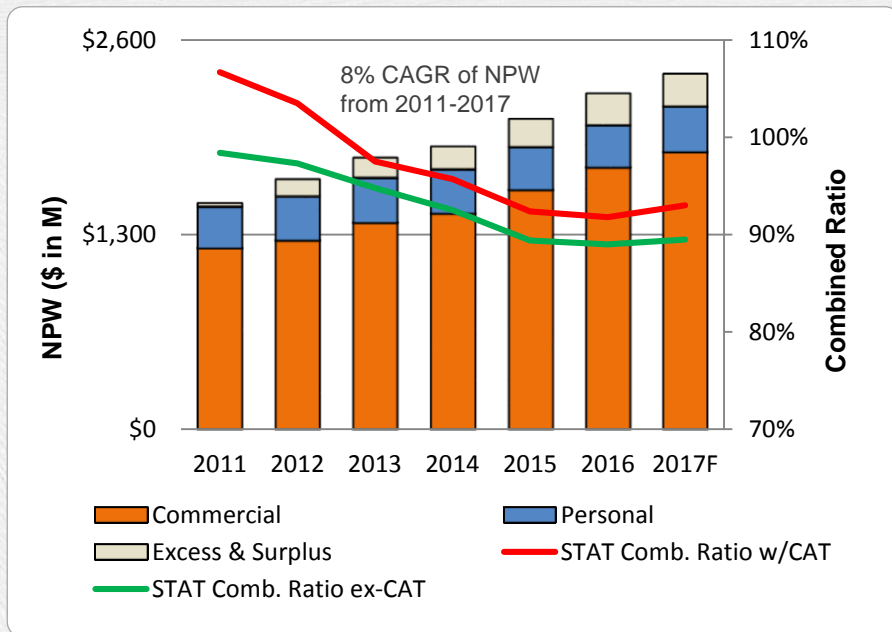


Guidance as of October 25, 2017
YTD 2017 as of 9/30/17

- Targeting price increases to keep up with, or exceed, loss inflation
- Business mix improvement through risk segmentation
- Claims and underwriting improvements
- Focus on lowering expense ratio

Our YTD underlying results are in line with our initial guidance

STRONG GROWTH AND IMPROVED MARGINS



Guidance as of October 25, 2017

2017 GUIDANCE

- Full-year 2017 ex-CAT statutory combined ratio guidance improved 1.0 points to 89.5% (assumes no fourth quarter prior-year reserve development)
- Catastrophe losses of 3.5 points
- Net investment income of \$115M, up from original guidance of \$110M
- Holding company expense savings

Our current 2017 guidance for an ex-CAT statutory combined ratio is 89.5%

STRONG CAPITAL AND LIQUIDITY POSITION, FOCUS ON EXPENSES



CAPITAL AND LIQUIDITY PLAN

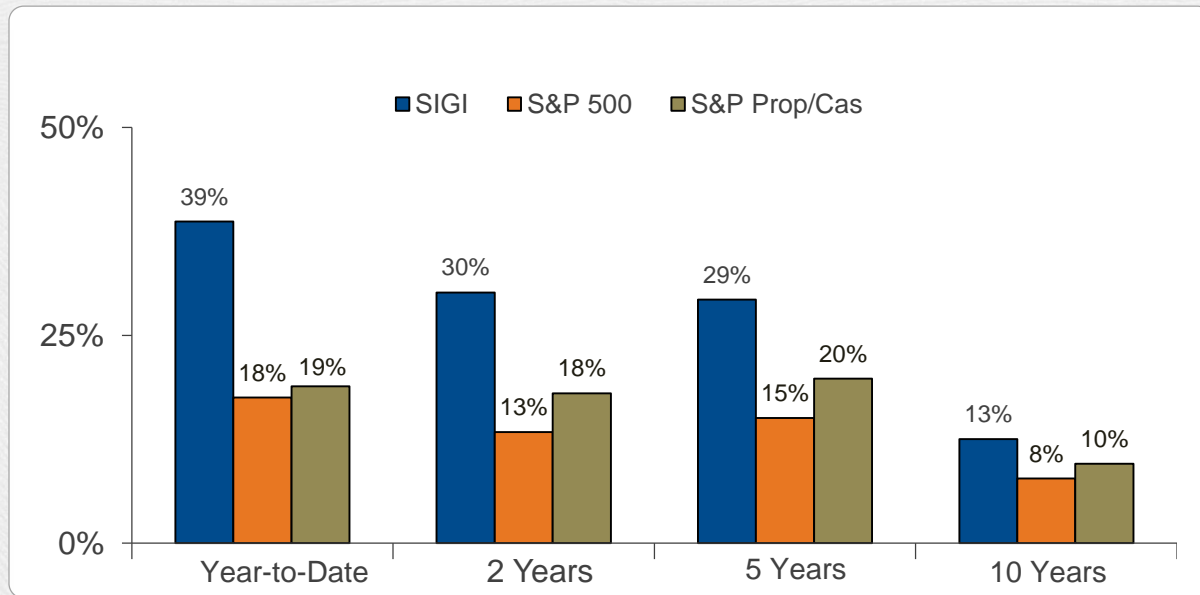
- Strong capital position with 20.5% debt-to-capital ratio
- Target NPW/surplus ratio of ~1.4x (lower end of historical range)
- Growing the business currently provides the most attractive capital deployment opportunity
- Sustainable growth rate of 7-9%
- Increased shareholder dividend by 13% for 2018



EXPENSE MANAGEMENT

- Targeting a 33% statutory expense ratio or lower over time
- Cost management and greater leverage from NPW growth helping reduce expense ratio
- Will continue to make significant investments for the future

STRONG EXECUTION HAS ENABLED SHAREHOLDER VALUE CREATION



Note: Total shareholder return YTD is as of Nov 6, 2017; historical period returns are reported on an annualized basis

Recent share price performance reflects sustained financial outperformance



STRATEGIC OVERVIEW

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

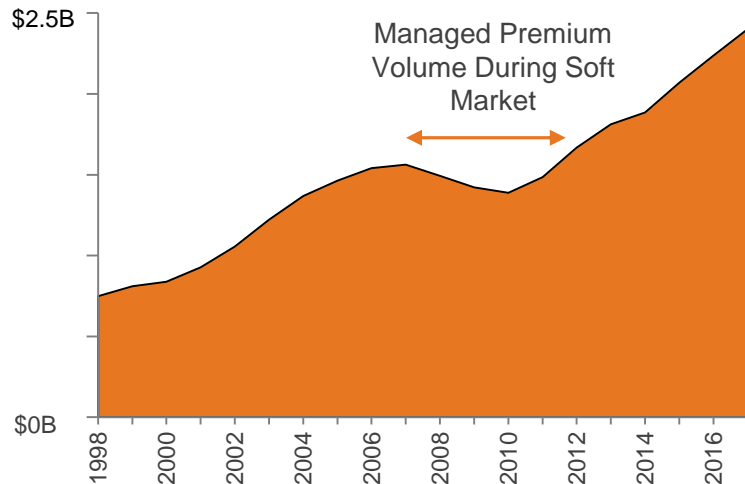
Greg Murphy - Chairman and Chief Executive Officer



SELECTIVE®

LONG HISTORY OF DISCIPLINED & PROFITABLE TOP LINE GROWTH

Historical Net Premiums Written



Note: Net premiums written for 2017 based on year-end forecast

GROWTH DRIVERS:

- Growing share of wallet with existing distribution partners
- New appointments in existing markets
- Geo-expansion
- New products and M&A

Combined opportunity of over \$2.5B

Lower Risk



Higher Risk

Successful track record of cycle management and profitable growth

CORPORATE STRUCTURE FACILITATES GRANULAR INSIGHTS



- Vertical and agile integration into underwriting
- Renewal inventory management by account, cohort and distribution partner
- New business quality and pricing

Clear read into growth and profitability metrics at a very granular level

WELL-POSITIONED FOR 2018 AND BEYOND.....

Underwriting Margins

- Earned pure renewal price greater than or equal to expected loss inflation
- Catastrophe losses of 3.5 points
- No loss reserve development
- Assumes no significant pricing tailwind

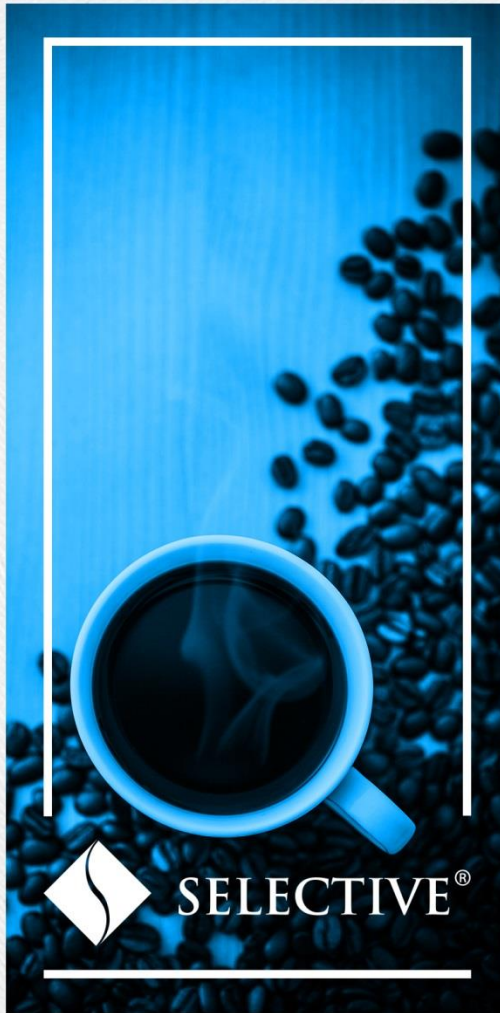
Investment Income

- Solid cash flow from operations equating to 17% of NPW YTD
- YTD 9/30/17 new money rates have exceeded total disposal rates

ROE Performance

- Above-average operating and investment leverage enables outperformance
- Long-term goal is for an ROE of 300 basis points above WACC

BREAK



OUR STRATEGIC IMPERATIVES POSITION US FOR THE FUTURE

SETTING THE STAGE FOR
SUSTAINED OUTPERFORMANCE

John Marchioni – President and Chief Operating Officer



SELECTIVE®

THE CASE FOR CHANGE



- Evolving consumer expectations
- Fast pace of tech advancement
- Changing demographics
- New competitors in the marketplace
- Increased pressure on margins

We must be nimble to keep pace with change

OUR STRATEGIC IMPERATIVES





LEVERAGE DATA AND TREAT INFO AS A VALUED CORPORATE ASSET

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

John Marchioni – President and Chief Operating Officer

Brenda Hall – SVP, Chief Strategic Operations Officer

Brian Sarisky – SVP, Commercial Lines Underwriting



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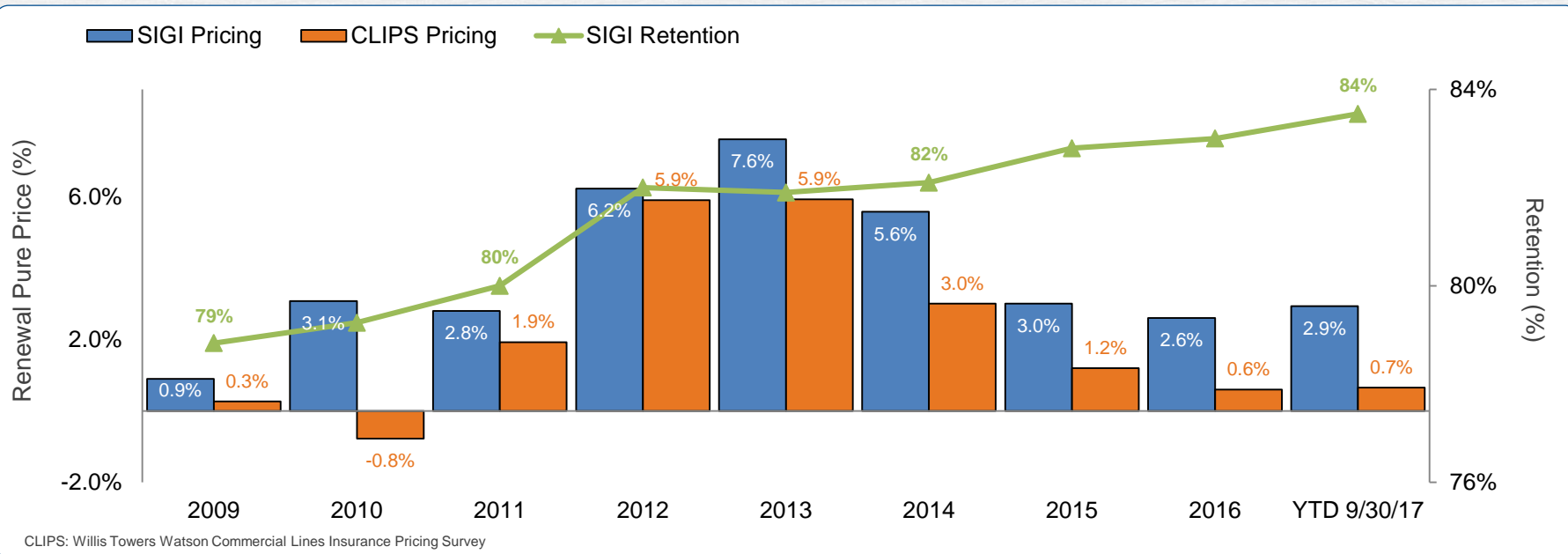
LEVERAGE DATA AND TREAT INFO AS A VALUED CORPORATE ASSET



- Strong track record of building and deploying pricing and claims models
- Supports our field-based underwriting and claims model
- Investing in advanced analytics to support profitable growth

Successful deployment is key to performance

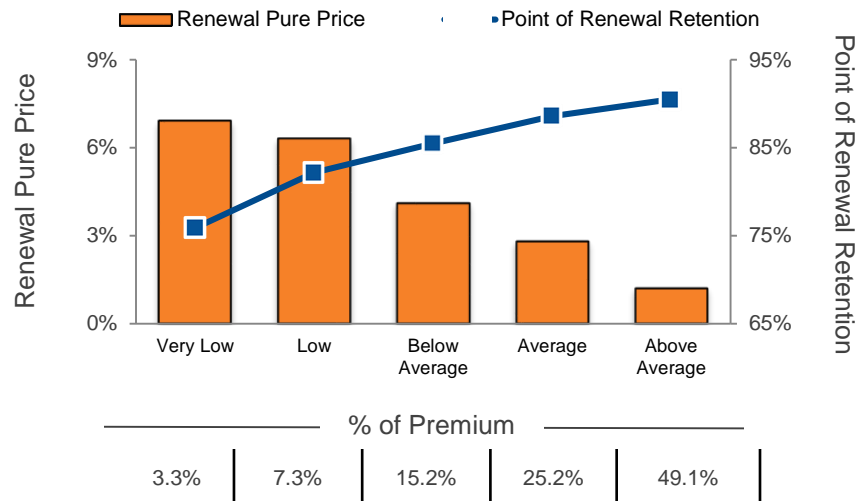
SOPHISTICATED TOOLS AND ACTIONABLE DATA ENABLE OUTPERFORMANCE



Our pure renewal pricing has exceeded the CLIPS index for the past 33 consecutive quarters

A PORTFOLIO APPROACH TO UNDERWRITING

Commercial Lines Pricing By Retention Group

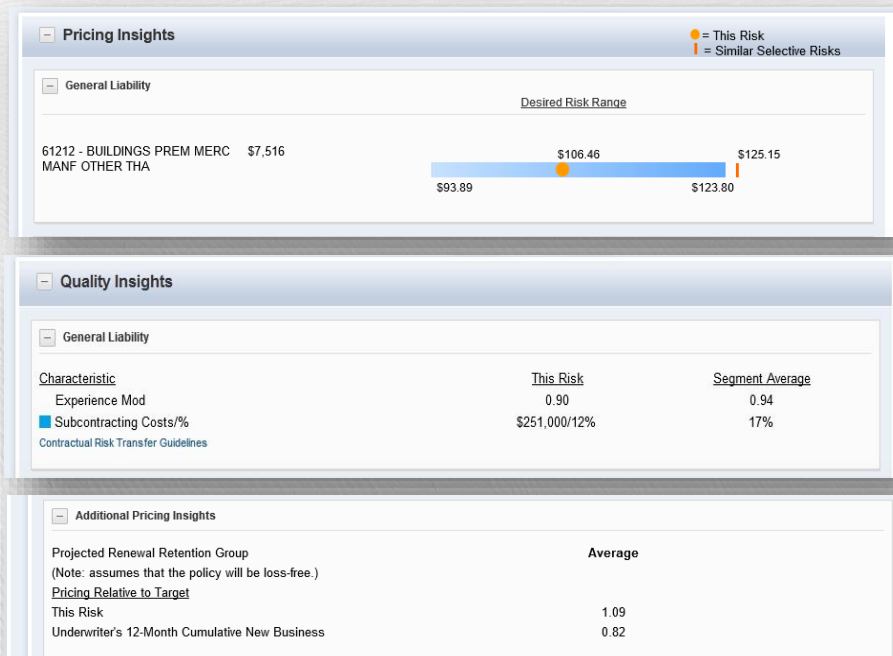


*May not foot due to rounding

- Portfolio management yields higher retention and rate
- Aligned with underwriter and regional goals
- Enhances communication with agencies
- Granular and account-specific pricing including:
 - Predictive modeling
 - Relative loss frequency and severity
 - Pricing deviation
 - Hazard and segment consideration
- Book of business management

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

INSIGHTS DRIVE BETTER DECISIONS



- Sophisticated underwriting desk tool for new business opportunities
- Better correlating new business premium and quality of risk
- Increased efficiencies through automation and reduced manual tasks

Positioning our AMSs to make better decisions, faster

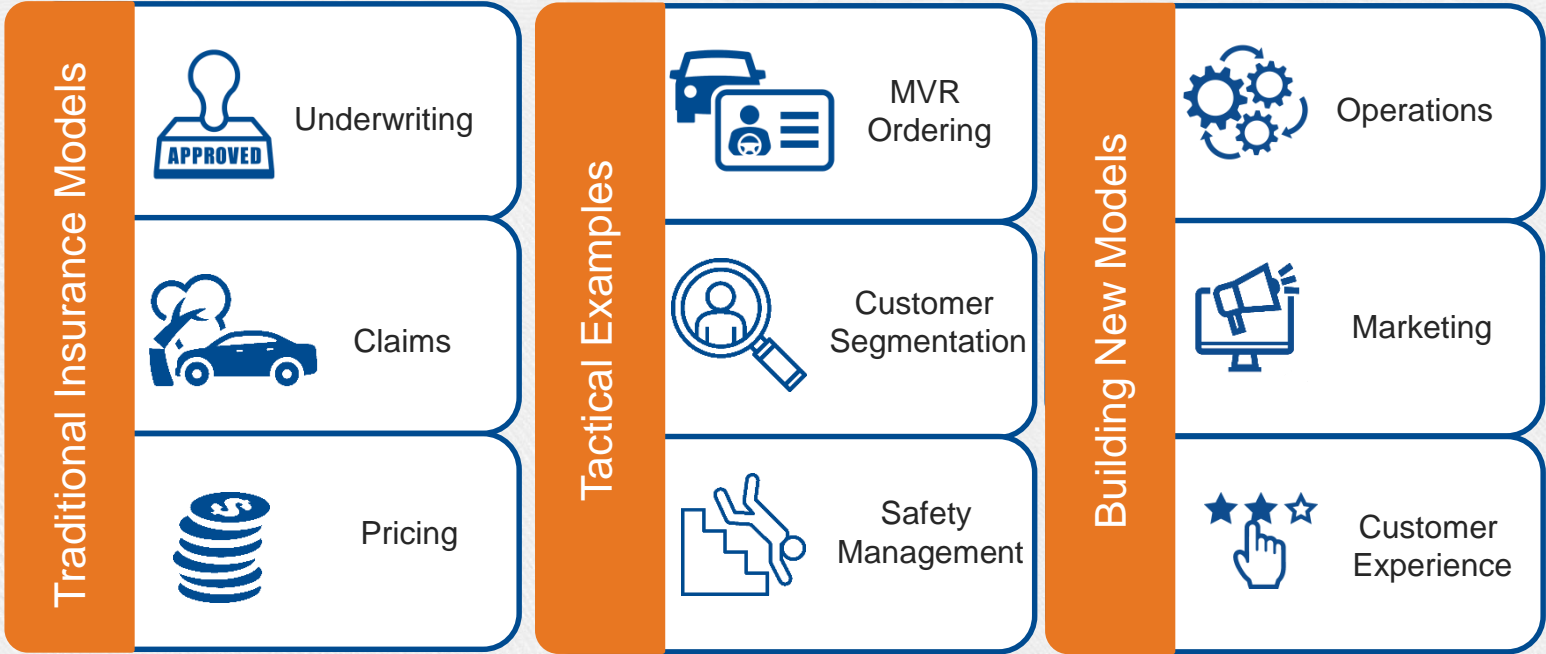
UNDERWRITING INSIGHTS TARGETS NEW BUSINESS SELECTION



- Deployed Q2 2017
- Compares prospective accounts with similar existing risks
- Empowers underwriters at the decision point
- Enables leadership line of sight to trends
- Matches price to quality

Enables real-time comparison of new accounts to existing portfolio of risks

LEVERAGING ADVANCED ANALYTICS



DECISION MANAGEMENT IS A COMPETITIVE ADVANTAGE



- Better decisions, faster
- Reduces/eliminates administrative tasks
- Allows underwriters to focus on decision making
- Simultaneously building scalability and efficiency

Tools and automation help maximize the output of our people



ALIGN RESOURCES FOR PROFITABLE GROWTH

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

John Marchioni – President and Chief Operating Officer

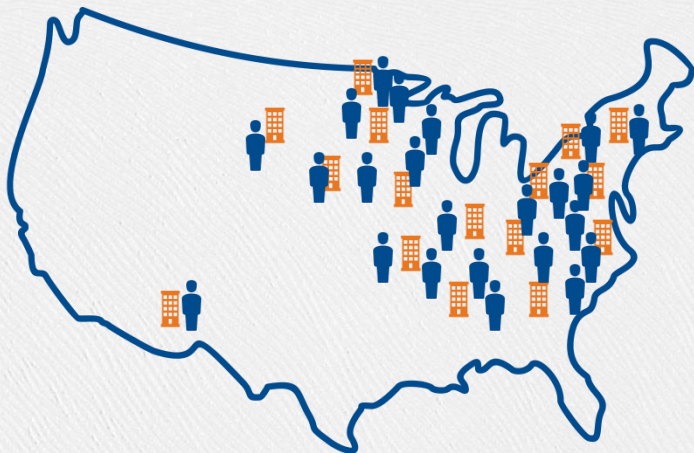
James McLain – SVP, Chief Field Operations Officer

Shadi Albert – SVP, Southwest Regional Manager



SELECTIVE®

ALIGN RESOURCES FOR PROFITABLE GROWTH



- Field underwriting model is key to our agent value proposition and underwriting quality
- Data-driven approach to underwriting, pricing and agency management
- Franchise distribution and value-added services will help us achieve long-term goal of 3% Commercial Lines market share in our footprint states
- Thoughtful and disciplined approach to geo-expansion

A customer- and agent-centric approach

UNIQUE UNDERWRITING FIELD MODEL



- 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

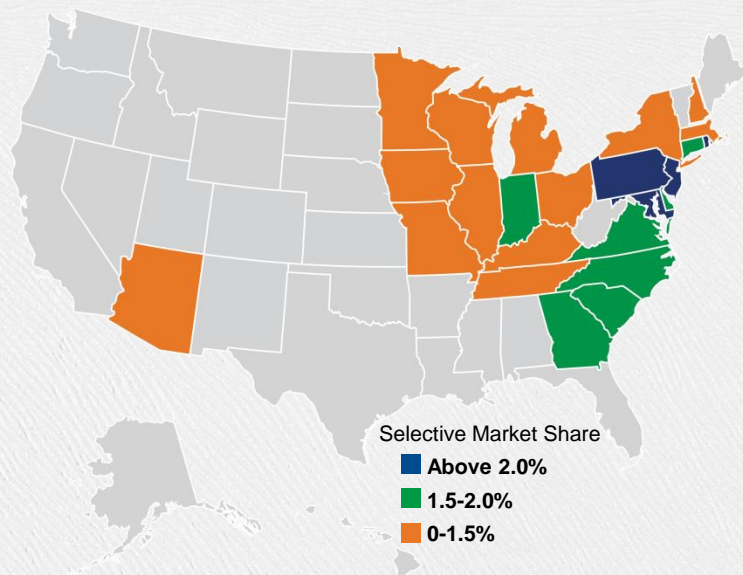
AGENCY RELATIONSHIP MANAGEMENT: A KEY AREA OF FOCUS



- Deep understanding of business dynamics within each of our agencies
- Close monitoring of production/profit metrics relative to targets
- Multiple agent touchpoints within Selective's management structure

Superior data and analytics allows us to effectively execute our cycle management strategies

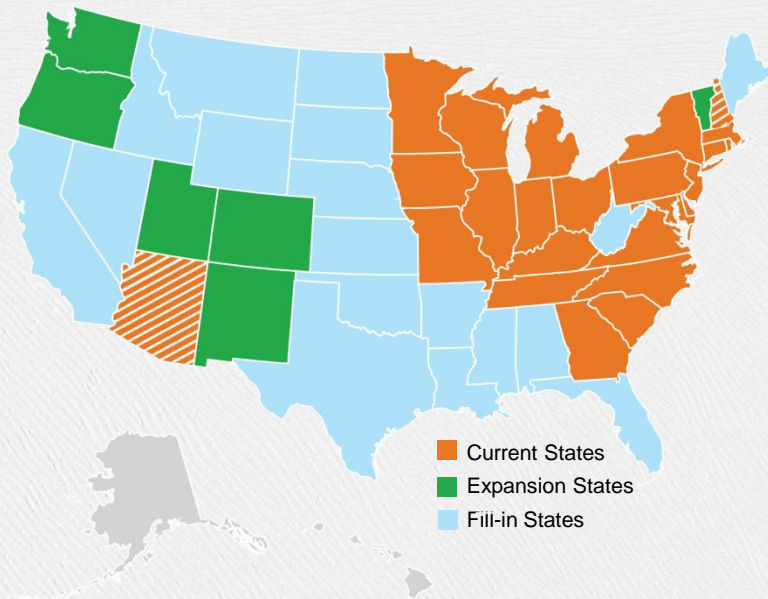
TARGETING A 3% COMMERCIAL LINES MARKET SHARE IN FOOTPRINT



- Franchise value with “ivy league” agents
- Long-term goal of 3% CL market share:
 - Agency partners that control 25% of premiums
 - Obtain a 12% share of their premium
- Blend of new appointments and helping existing partners capture additional market share

Estimated long-term additional premium opportunity within footprint of ~\$2.5B

GEO-EXPANSION ENHANCES GROWTH



- Diversification and spread of risk
 - 30 fully operational states
 - Remainder to support multi-state CL accounts
- Leverage existing Selective leaders and hire local underwriters who know the market and agencies
- Strategic appointments in AZ and NH represent ~25% of available CL premium
- Successful start in both states
- Repeatable and scalable process

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

A blue graphic on the left side of the slide. It features a close-up of a computer keyboard at the top, with a semi-transparent globe overlaid on it. The globe has white lines representing latitude and longitude. A white rectangular frame is superimposed over the globe. At the bottom left of this frame is the Selective logo, which consists of a white diamond shape with a stylized 'S' inside, followed by the word 'SELECTIVE' in white capital letters and a registered trademark symbol.

DELIVER A SUPERIOR OMNI-CHANNEL EXPERIENCE

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

John Marchioni – President and Chief Operating Officer

Gordon Gaudet – EVP, Chief Information Officer

Rohit Mull – SVP, Chief Marketing Officer



DELIVERING A SUPERIOR OMNI-CHANNEL EXPERIENCE



- Customer expectations are changing
- Facing potential disruption from traditional and non-traditional competitors
- Customer-centricity is critical
- Focus on shared experience with distribution partners

Customer-centricity is critical to long-term success

MASTERING CUSTOMER INFORMATION


- Significant investments in Customer Experience (CX) capabilities
- 360° customer view through technology
- 24x7 customer self-service digital platforms
- Actively gathering direct customer insights
- Learnings help us improve experience, acquisition and retention



A superior customer experience is a game changer

THE VIEW OF THE CUSTOMER

Independent Policy Information




Scott Phillips
 Married
 Newville, PA
 Policy # B5978145
 PaySync®

Coverage:
 Business Owners Policy
 Annual premium \$2,400
 Policy effective date 11/20/2014

Claim Status:
 Business Owners Policy
 Small Loss Claim \$5,000
 Claim payment sent 5/4/2017

Billing Status:
 Business Owners Policy
 Balance due \$400.00
 Next payment due date 4/2/2017



SELECTIVE® | CRM

Logged in ▾



Call Script


Communication

SPECIAL INSTRUCTIONS: preferred contact method is mobile, 987-234-0987

Agent Communication
 Marketing Campaign 1/24/17
 Marketing Campaign 2/16/17
 Marketing Campaign 3/02/17

Selective Communication
 Bill reminder - 2 day 9/24/17
 Bill reminder - 10 day 9/16/17
 CS - Outbound Call 8/02/17

Social History





Scott Phillips
 Phone: 987-234-0987
 Email: xxxxxxxx@yahoo.com
 Address: 32 Somersroad
 Newville, PA
 View Social Feed

Account Health: Normal
Golden Code: G2032932
Agency: ABC Agency
AMS: Jane Smith
 PaySync®
 Diamond Council Member

Inbound call in progress from 987-234-0987
 Hang up ▾

Policy Details
Add / Edit ▾

Business
+ Add Personal

☐
Scott Phillips Construction, INC. # S5978145
 Effective date: 01/20/2014 | Annual premium: \$2,400

Billing Activity:
Next payment: \$200.00 | Payment Due: 11/20/17 | Total due: \$400.00


	Credit card payment received	10/20/17	-\$200.00
	EFT payment received	9/20/17	-\$200.00
	EFT payment received	8/20/17	-\$200.00
	Credit card payment received	7/20/17	-\$200.00
	Credit card payment received	6/20/17	-\$200.00

Claim Activity:
Small Loss: \$5,000 | Last Activity: Check mailed to customer 5/4/17

☐
Phillips Moving Company, LLC # S5978138
 Effective date: 01/20/2014 | Annual premium: \$4,300

Billing Activity:
Next payment: \$400.00 | Payment Due: 11/20/17 | Total due: \$300.00

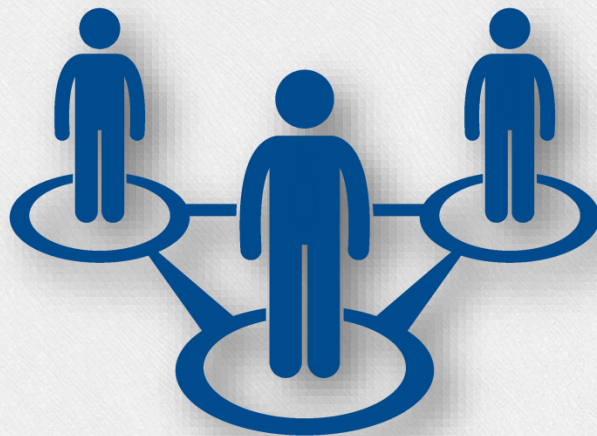
Claim Activity:
No claims reported



Selective Insurance Group, Inc.

PROVIDING A SHARED CUSTOMER EXPERIENCE

- Partnering with agents to invest in joint CX strategies
- Integrating efforts across customer, agents and employees increases complexity of delivering a seamless experience
- Elimination of customer friction points with single call resolution or seamless transitions
- Customized, proactive messaging, developed with rich customer analytics, improves outcomes



TECHNOLOGY INITIATIVES INCREASE SWITCHING COST



- Insurtech efforts align with our strategic imperatives
- Looking for solutions to help our customers better manage their business
- Technology and advanced analytics boost operational efficiency and create a highly-engaged team
- Insurtech networks of innovators expose us to cutting-edge investment and business opportunities

Taking a broad and practical approach to Insurtech



CONCLUSION

SETTING THE STAGE FOR SUSTAINED OUTPERFORMANCE

Greg Murphy - Chairman and Chief Executive Officer



SELECTIVE®

OUR INVESTMENT PROPOSITION



Leveraging our core competitive strengths

- Strong franchise value with “ivy league” independent distribution partners
- Unique field model enabled by sophisticated tools and processes
- Superior customer experience delivered through best-in-class employees



Setting the stage for continued outperformance

- Record underwriting margins
- A strong renewal book that is well-positioned to benefit from a firming market
- Targeting an operating ROE that is 300 basis points over the WACC



A conservative balance sheet and efficient business model

- Conservative approach to risk selection and balance sheet management
- Higher operating and investment leverage enables ROE outperformance



Investing for the future

- Excellent growth opportunities within footprint and geo-expansion
- Sophisticated underwriting tools and processes
- Focus on increasing switching costs



SELECTIVE®

INVESTOR DAY PRESENTATION
SETTING THE STAGE FOR
SUSTAINED OUTPERFORMANCE

SELECTIVE INSURANCE GROUP, INC.

November 9, 2017