



**FINANCIAL SUPPLEMENT
FIRST QUARTER 2019**

Forward-Looking Statements

Certain statements in this report, including information incorporated by reference, are “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995 (“PSLRA”). The PSLRA provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. These statements relate to our intentions, beliefs, projections, estimations, or forecasts of future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, or performance to be materially different from those expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by use of words such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “target,” “project,” “intend,” “believe,” “estimate,” “predict,” “potential,” “pro forma,” “seek,” “likely,” or “continue” or other comparable terminology. These statements are only predictions, and we can give no assurance that such expectations will prove to be correct. We undertake no obligation, other than as may be required under the federal securities laws, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Factors that could cause our actual results to differ materially from those projected, forecasted, or estimated by us in forward-looking statements, include, but are not limited to:

- difficult conditions in global capital markets and the economy;
- deterioration in the public debt and equity markets and private investment marketplace that could lead to investment losses and fluctuations in interest rates;
- ratings downgrades could affect investment values and, therefore, statutory surplus;
- the adequacy of our loss reserves and loss expense reserves;
- the frequency and severity of natural and man-made catastrophic events, including, but not limited to, hurricanes, tornadoes, windstorms, earthquakes, hail, terrorism, including cyber-attacks, explosions, severe winter weather, floods, and fires;
- adverse market, governmental, regulatory, legal, or judicial conditions or actions;
- the concentration of our business in the Eastern Region;
- the cost and availability of reinsurance;
- our ability to collect on reinsurance and the solvency of our reinsurers;
- the impact of changes in U.S. trade policies and imposition of tariffs on imports that may lead to higher than anticipated inflationary trends for our loss and loss expenses;
- uncertainties related to insurance premium rate increases and business retention;
- changes in insurance regulations that impact our ability to write and/or cease writing insurance policies in one or more states;
- the effects of data privacy or cyber security laws and regulations on our operations;
- major defect or failure in our internal controls or information technology and application systems that result in harm to our brand in the marketplace, increased senior executive focus on crisis and reputational management issues and/or increased expenses, particularly if we experience a significant privacy breach;
- recent federal financial regulatory reform provisions that could pose certain risks to our operations;
- our ability to maintain favorable ratings from rating agencies, including A.M. Best, Standard & Poor’s, Moody’s, and Fitch;
- our entry into new markets and businesses; and
- other risks and uncertainties we identify in filings with the United States Securities and Exchange Commission, including, but not limited to, our Annual Report on Form 10-K and other periodic reports.

These risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time-to-time. We can neither predict such new risk factors nor can we assess the impact, if any, of such new risk factors on our businesses or the extent to which any factor or combination of factors may cause actual results to differ materially from those expressed or implied in any forward-looking statements in this report. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

Selective’s SEC filings can be accessed through the Investors page of Selective’s website, www.Selective.com, or through the SEC’s EDGAR Database at www.sec.gov (Selective EDGAR CIK No. 0000230557).

Selective Insurance Group, Inc. & Consolidated Subsidiaries

TABLE OF CONTENTS

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

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Unaudited)

	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	June 30, 2018	Mar. 31, 2018
<i>(\$ and shares in millions, except per share data)</i>					
For Period Ended					
Gross premiums written	\$ 772.9	676.6	759.9	759.9	720.5
Net premiums written	672.9	582.8	651.7	655.2	624.6
Change in net premiums written, from comparable prior year period	8 %	5	8	7	4
Underwriting income, before-tax	\$ 33.6	45.4	33.0	38.0	4.7
Net investment income earned, before-tax	50.6	54.1	52.4	45.6	43.2
Net realized and unrealized investment gains (losses), before-tax*	13.5	(37.9)	(4.8)	(1.7)	(10.5)
Net income	\$ 61.3	45.8	55.4	58.8	18.9
Non-GAAP operating income**	54.0	72.0	59.2	60.1	27.3
At Period End					
Total assets	8,282.8	7,952.7	7,986.8	7,705.7	7,659.9
Total invested assets	6,233.7	5,960.7	5,861.1	5,665.6	5,678.6
Stockholders' equity	1,925.2	1,791.8	1,738.5	1,698.2	1,659.8
Shares outstanding	59.2	58.9	58.9	58.8	58.7
Per Share and Share Data					
Net income per diluted share	\$ 1.02	0.76	0.93	0.99	0.32
Non-GAAP operating income per diluted share**	0.90	1.20	0.99	1.01	0.46
Weighted average diluted shares outstanding	59.9	59.8	59.7	59.6	59.6
Book value per share	\$ 32.51	30.40	29.52	28.86	28.25
Dividends paid per share	0.20	0.20	0.18	0.18	0.18
Financial Ratios					
Loss and loss expense ratio	61.1 %	58.7	61.7	60.5	65.0
Underwriting expense ratio	33.3	33.7	32.5	32.9	33.8
Dividends to policyholders ratio	0.3	0.3	0.4	0.3	0.4
GAAP combined ratio	94.7 %	92.7	94.6	93.7	99.2
Annualized ROE	13.2	10.4	12.9	14.0	4.5
Annualized non-GAAP operating ROE**	11.6	16.3	13.8	14.3	6.5
Debt to total capitalization	22.2	19.7	20.2	20.6	22.9
Net premiums written to policyholders' surplus	1.4 x	1.4x	1.4x	1.4x	1.4x
Invested assets per dollar of stockholders' equity	\$ 3.24	3.33	3.37	3.34	3.42

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

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

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
<i>(\$ and shares in millions, except per share data)</i>					
Revenues					
Net premiums earned	\$ 632.6	625.3	614.3	604.8	591.8
Net investment income earned	50.6	54.1	52.4	45.6	43.2
Net realized and unrealized gains (losses):					
Net realized investment gains (losses) on disposals	3.4	(23.0)	(0.8)	—	4.7
Other-than-temporary impairments	(0.1)	(1.1)	(1.4)	(2.8)	(1.2)
Unrealized gains (losses) on equity securities	10.1	(13.8)	(2.6)	1.1	(14.1)
Total net realized and unrealized gains (losses)	13.5	(37.9)	(4.8)	(1.7)	(10.5)
Other income	2.3	1.5	2.5	3.2	2.2
Total revenues	699.0	643.0	664.5	651.9	626.7
Expenses					
Loss and loss expense incurred	386.6	367.7	379.2	366.3	384.9
Amortization of deferred policy acquisition costs	129.7	126.8	124.5	122.7	121.1
Other insurance expenses	85.1	87.0	80.1	81.0	83.2
Interest expense	11.5	6.1	6.1	6.1	6.2
Corporate expenses	12.4	3.4	7.5	3.3	11.3
Total expenses	625.3	590.9	597.3	579.4	606.8
Income before federal income taxes	73.7	52.1	67.1	72.5	19.9
Federal income tax expense	12.3	6.4	11.7	13.7	1.0
Net Income	\$ 61.3	45.8	55.4	58.8	18.9
Net realized and unrealized investment (gains) losses, after tax*	(10.6)	26.2	3.8	1.3	8.3
Debt retirement costs, after tax*	3.3	—	—	—	—
Non-GAAP operating income**	\$ 54.0	72.0	59.2	60.1	27.3
Weighted average shares outstanding (diluted)	59.9	59.8	59.7	59.6	59.6
Net income per share (diluted)	\$ 1.02	0.76	0.93	0.99	0.32
Non-GAAP operating income per share (diluted)**	\$ 0.90	1.20	0.99	1.01	0.46

* Amounts are provided to reconcile net income to non-GAAP operating income. Debt retirement costs of \$4.2 million, or \$3.3 million after-tax, are included in net income and are excluded in the calculation of non-GAAP operating income.

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

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEETS

(Unaudited)

<i>(\$ in millions, except per share data)</i>	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
ASSETS					
Investments					
Fixed income securities, held-to-maturity, at carrying value	\$ 36.5	37.1	44.6	42.0	41.6
Fixed income securities, available-for-sale, at fair value	5,567.4	5,273.1	5,190.2	5,137.7	5,141.6
Equity securities, at fair value	163.0	147.6	157.9	176.6	168.8
Short-term investments	290.7	323.9	304.6	164.1	183.0
Other investments	176.2	178.9	163.9	145.2	143.6
Total investments	6,223.7	5,960.7	5,861.1	5,665.6	5,678.6
Cash	0.5	0.5	0.4	4.9	0.7
Restricted cash	10.0	16.4	12.4	11.6	16.3
Interest and dividends due or accrued	42.1	41.6	41.0	41.0	42.0
Premiums receivable, net of allowance	814.9	770.5	826.9	821.2	766.3
Reinsurance recoverable, net of allowance	553.2	549.2	603.8	545.0	560.9
Prepaid reinsurance premiums	155.7	157.7	167.1	157.6	151.4
Current federal income tax	—	—	—	—	0.2
Deferred federal income tax	32.1	53.5	52.3	51.6	48.2
Property and equipment, net of accumulated depreciation and amortization	68.7	65.2	64.2	62.7	62.0
Deferred policy acquisition costs	260.8	252.6	258.0	248.5	239.3
Goodwill	7.8	7.8	7.8	7.8	7.8
Other assets	103.1	76.9	91.5	88.3	86.2
Total assets	\$ 8,282.8	7,952.7	7,986.8	7,705.7	7,659.9
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities					
Reserve for loss and loss expense	\$ 3,996.5	3,893.9	3,925.2	3,804.4	3,792.1
Unearned premiums	1,470.3	1,431.9	1,483.8	1,436.9	1,380.3
Short-term debt	—	—	—	—	55.0
Long-term debt	550.1	439.5	439.4	439.3	439.2
Current federal income tax	13.6	1.3	12.1	5.1	—
Accrued salaries and benefits	78.2	116.7	95.4	85.4	90.5
Other liabilities	278.9	277.6	292.4	236.5	243.1
Total liabilities	\$ 6,357.5	6,160.9	6,248.2	6,007.5	6,000.2
Stockholders' Equity					
Preferred stock of \$0 par value per share	\$ —	—	—	—	—
Common stock of \$2 par value per share	206.5	205.7	205.6	205.5	205.3
Additional paid-in capital	398.9	390.3	385.5	381.6	375.2
Retained earnings	1,908.1	1,858.4	1,824.6	1,779.9	1,731.8
Accumulated other comprehensive income (loss)	3.0	(78.0)	(92.6)	(84.5)	(68.2)
Treasury stock, at cost	(591.3)	(584.7)	(584.5)	(584.4)	(584.2)
Total stockholders' equity	\$ 1,925.2	1,791.8	1,738.5	1,698.2	1,659.8
Commitments and contingencies					
Total liabilities and stockholders' equity	\$ 8,282.8	7,952.7	7,986.8	7,705.7	7,659.9

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

FINANCIAL METRICS

(Unaudited)

	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
<i>(\$ and shares in millions, except per share data)</i>					
Book value per share					
Stockholders' equity	\$ 1,925.2	1,791.8	1,738.5	1,698.2	1,659.8
Common shares issued and outstanding, at period end	59.2	58.9	58.9	58.8	58.7
Book value per share	\$ 32.51	30.40	29.52	28.86	28.25
Book value per share excluding unrealized gain or loss on fixed income securities	31.12	30.36	29.88	29.08	28.19
Financial results (after-tax)					
Underwriting income	26.5	35.9	26.1	30.0	3.7
Net investment income	41.3	44.2	42.9	37.6	35.8
Interest expense	(5.8)	(4.8)	(4.8)	(4.8)	(4.9)
Corporate expense	(8.0)	(3.3)	(4.9)	(2.7)	(7.4)
Net realized and unrealized investment gains (losses)*	10.6	(26.2)	(3.8)	(1.3)	(8.3)
Debt retirement costs	(3.3)	—	—	—	—
Total after-tax net income	61.3	45.8	55.4	58.8	18.9
Return on average equity					
Insurance segments	5.7 %	8.1	6.1	7.2	0.9
Net investment income	8.9	10.0	10.0	9.0	8.5
Interest expense	(1.3)	(1.1)	(1.1)	(1.2)	(1.2)
Corporate expense	(1.7)	(0.7)	(1.2)	(0.7)	(1.7)
Net realized and unrealized investment gains (losses), net of tax	2.3	(5.9)	(0.9)	(0.3)	(2.0)
Debt retirement costs, net of tax	(0.7)	—	—	—	—
Annualized ROE	13.2	10.4	12.9	14.0	4.5
Net realized and unrealized (gains) losses, net of tax**	(2.3)	5.9	0.9	0.3	2.0
Debt retirement costs, net of tax**	0.7	—	—	—	—
Annualized Non-GAAP Operating ROE***	11.6 %	16.3	13.8	14.3	6.5
Debt and total capitalization					
Notes payable:					
1.61% Borrowings from FHLB NY	\$ 25.0	25.0	25.0	25.0	25.0
1.56% Borrowings from FHLB NY	25.0	25.0	25.0	25.0	25.0
1.98% Borrowings from FHLB NY	—	—	—	—	55.0
3.03% Borrowings from FHLBI	60.0	60.0	60.0	60.0	60.0
7.25% Senior Notes	49.7	49.7	49.7	49.7	49.7
6.70% Senior Notes	99.1	99.1	99.1	99.0	99.0
5.875% Senior Notes	—	180.8	180.7	180.6	180.5
5.375% Senior Notes	290.7	—	—	—	—
Finance Lease Obligations	0.6	—	—	—	—
Total debt	550.1	439.5	439.4	439.3	494.2
Stockholders' equity	1,925.2	1,791.8	1,738.5	1,698.2	1,659.8
Total capitalization	\$ 2,475.3	2,231.3	2,178.0	2,137.5	2,154.0
Ratio of debt to total capitalization	22.2 %	19.7	20.2	20.6	22.9
Policyholders' surplus	\$ 1,805.6	1,769.0	1,737.4	1,708.3	1,673.8

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

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

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

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED INSURANCE OPERATIONS STATEMENT OF OPERATIONS (Unaudited)

(\$ in millions)	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Underwriting results					
Net premiums written	\$ 672.9	582.8	651.7	655.2	624.6
Change in net premiums written, from comparable prior year period	8 %	5	8	7	4
Net premiums earned	\$ 632.6	625.3	614.3	604.8	591.8
Losses and loss expenses incurred	386.6	367.7	379.2	366.3	384.9
Net underwriting expenses incurred	210.7	210.5	199.8	198.9	199.7
Dividends to policyholders	1.8	1.7	2.3	1.6	2.4
GAAP underwriting gain	\$ 33.6	45.4	33.0	38.0	4.7
Catastrophe losses	\$ 20.9	15.2	28.1	18.7	26.0
(Favorable) prior year casualty reserve development	(10.0)	(17.5)	(12.0)	(4.0)	(8.0)
Underwriting ratios					
Loss and loss expense ratio	61.1 %	58.7	61.7	60.5	65.0
Underwriting expense ratio	33.3	33.7	32.5	32.9	33.8
Dividends to policyholders ratio	0.3	0.3	0.4	0.3	0.4
Combined ratio	94.7 %	92.7	94.6	93.7	99.2
Catastrophe losses	3.3 pts	2.4	4.6	3.1	4.4
(Favorable) prior year casualty reserve development	(1.6) pts	(2.8)	(2.0)	(0.7)	(1.4)
Combined ratio before catastrophe losses	91.4 %	90.3	90.0	90.6	94.8
Combined ratio before catastrophe losses and prior year casualty development	93.0	93.1	92.0	91.3	96.2
Other Statistics					
Non-catastrophe property loss and loss expenses	\$ 108.0	94.7	100.8	93.8	116.2
Non-catastrophe property loss and loss expenses	17.1 pts	15.2	16.4	15.5	19.6
Direct new business	\$ 145.0	129.8	135.7	137.2	128.1

Non-catastrophe property losses and the non-catastrophe property loss ratios now include loss expenses. All prior periods presented have been updated to reflect this change.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

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

(\$ in millions)	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Underwriting results					
Net premiums written	\$ 546.7	449.4	502.3	514.9	509.1
Change in net premiums written, from comparable prior year period	7 %	6	6	8	5
Net premiums earned	\$ 497.2	489.8	481.1	476.0	465.4
Losses and loss expenses incurred	298.8	282.5	291.1	273.9	293.5
Net underwriting expenses incurred	170.8	170.6	161.3	159.5	162.6
Dividends to policyholders	1.8	1.7	2.3	1.6	2.4
GAAP underwriting gain	\$ 25.8	35.0	26.3	41.0	6.8
Catastrophe losses	\$ 16.0	12.3	22.1	10.1	19.8
(Favorable) prior year casualty reserve development	(10.0)	(22.0)	(18.0)	(10.0)	(8.0)
Underwriting ratios					
Loss and loss expense ratio	60.1 %	57.8	60.5	57.6	63.0
Underwriting expense ratio	34.3	34.8	33.5	33.5	35.0
Dividends to policyholders ratio	0.4	0.3	0.5	0.3	0.5
Combined ratio	94.8 %	92.9	94.5	91.4	98.5
Catastrophe losses	3.2 pts	2.5	4.6	2.1	4.3
(Favorable) prior year casualty reserve development	(2.0)	(4.5)	(3.7)	(2.1)	(1.7)
Combined ratio before catastrophe losses	91.6 %	90.4	89.9	89.3	94.2
Combined ratio before catastrophe losses and prior year casualty development	93.6	94.9	93.6	91.4	95.9
Other Statistics					
Non-catastrophe property loss and loss expenses	\$ 74.4	65.6	67.1	63.8	77.4
Non-catastrophe property loss and loss expenses	15.0 pts	13.4	13.9	13.4	16.6
Direct new business	\$ 109.0	91.8	90.4	101.1	97.9
Renewal pure price increases	3.4 %	3.4	3.7	3.5	3.2
Retention	84 %	83	84	84	85

Non-catastrophe property losses and the non-catastrophe property loss ratios now include loss expenses. All prior periods presented have been updated to reflect this change.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD COMMERCIAL LINES GAAP LINE OF BUSINESS RESULTS (Unaudited)

(\$ in millions)	Quarter Ended March 31, 2019									Quarter Ended March 31, 2018								
	Commercial	Workers	General	Commercial						Commercial	Workers	General	Commercial					
	Property	Compensation	Liability	Auto	BOP	Bonds	Other	Total	Property	Compensation	Liability	Auto	BOP	Bonds	Other	Total		
Net premiums written	\$ 93.0	85.1	178.7	147.2	27.4	9.9	5.3	546.7	85.2	88.9	164.5	129.8	26.7	8.8	5.1	509.1		
Net premiums earned	86.1	78.7	161.5	131.2	26.1	8.9	4.7	497.2	80.3	78.8	149.8	118.2	25.6	8.1	4.4	465.4		
Loss and loss expense ratio	60.1 %	56.1	53.6	73.9	68.6	16.6	0.7	60.1	77.1	47.9	55.3	78.0	69.5	13.6	(0.4)	63.0		
Underwriting expense ratio	37.7	28.1	34.6	32.7	36.8	55.0	62.3	34.3	38.1	29.3	35.2	33.1	36.4	62.7	59.1	35.0		
Dividend ratio	—	2.2	—	—	—	—	—	0.4	0.3	2.0	0.2	0.2	—	—	—	0.5		
Combined ratio	97.8%	86.4	88.2	106.6	105.4	71.6	63.0	94.8	115.5	79.2	90.7	111.3	105.9	76.3	58.7	98.5		
Underwriting gain (loss)	\$ 1.9	10.7	19.0	(8.7)	(1.4)	2.5	1.7	25.8	(12.4)	16.4	13.9	(13.4)	(1.5)	1.9	1.8	6.8		

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

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

(\$ in millions)	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Underwriting results					
Net premiums written	\$ 69.4	72.7	84.7	83.9	67.9
Change in net premiums written, from comparable prior year period	2 %	—	4	7	5
Net premiums earned	\$ 77.3	77.4	77.2	75.7	74.3
Losses and loss expenses incurred	53.1	49.4	52.6	49.3	55.4
Net underwriting expenses incurred	21.1	21.6	21.4	21.6	20.3
GAAP underwriting gain (loss)	\$ 3.2	6.3	3.2	4.8	(1.5)
Catastrophe losses	\$ 4.1	(0.6)	5.4	5.8	6.8
Unfavorable prior year casualty reserve development	—	4.5	—	—	—
Underwriting ratios					
Loss and loss expense ratio	68.6 %	63.8	68.2	65.1	74.6
Underwriting expense ratio	27.3	28.0	27.7	28.6	27.4
Combined ratio	95.9 %	91.8	95.9	93.7	102.0
Catastrophe losses	5.3 pts	(0.8)	7.1	7.7	9.2
Unfavorable prior year casualty reserve development	—	5.8	—	—	—
Combined ratio before catastrophe losses	90.6 %	92.6	88.8	86.0	92.8
Combined ratio before catastrophe losses and prior year casualty development	90.6	86.8	88.8	86.0	92.8
Other Statistics					
Non-catastrophe property loss and loss expenses	\$ 29.1	24.8	28.2	23.3	29.0
Non-catastrophe property loss and loss expenses	37.6 pts	32.1	36.5	30.8	39.0
Direct new business	\$ 10.3	10.7	13.1	15.9	11.8
Renewal pure price increases	5.2 %	4.6	3.8	3.4	3.8
Retention	84 %	84	85	85	85

Non-catastrophe property losses and the non-catastrophe property loss ratios now include loss expenses. All prior periods presented have been updated to reflect this change.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

STANDARD PERSONAL LINES GAAP LINE OF BUSINESS RESULTS (Unaudited)

<i>(\$ in millions)</i>	Quarter Ended March 31, 2019				Quarter Ended March 31, 2018			
	Personal Auto	Homeowners	Other	Total	Personal Auto	Homeowners	Other	Total
Net premiums written	\$ 41.1	26.3	1.9	69.4	40.1	26.3	1.5	67.9
Net premiums earned	43.2	32.1	2.0	77.3	40.4	32.2	1.6	74.3
Loss and loss expense ratio	68.6 %	67.9	81.9	68.6	71.7	81.5	13.2	74.6
Underwriting expense ratio	32.0	30.5	(125.5)	27.3	34.9	30.0	(213.8)	27.4
Combined ratio	100.6%	98.4	(43.6)	95.9	106.6	111.5	(200.6)	102.0
Underwriting (loss) gain	\$ (0.2)	0.5	2.9	3.2	(2.7)	(3.7)	4.8	(1.5)

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

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

(\$ in millions)	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Underwriting results					
Net premiums written	\$ 56.9	60.7	64.6	56.4	47.6
Change in net premiums written, from comparable prior year period	19 %	7	27	(1)	(6)
Net premiums earned	\$ 58.1	58.1	56.1	53.1	52.2
Losses and loss expenses incurred	34.7	35.8	35.5	43.1	36.0
Net underwriting expenses incurred	18.8	18.2	17.1	17.8	16.8
GAAP underwriting gain (loss)	\$ 4.6	4.2	3.5	(7.8)	(0.6)
Catastrophe losses	\$ 0.8	3.5	0.6	2.8	(0.6)
Unfavorable prior year casualty reserve development	—	—	6.0	6.0	—
Underwriting ratios					
Loss and loss expense ratio	59.7 %	61.5	63.2	81.2	69.0
Underwriting expense ratio	32.4	31.4	30.5	33.5	32.1
Combined ratio	92.1 %	92.9	93.7	114.7	101.1
Catastrophe losses	1.4 pts	6.0	1.0	5.3	(1.2)
Unfavorable prior year casualty reserve development	—	—	10.7	11.3	—
Combined ratio before catastrophe losses	90.7 %	86.9	92.7	109.4	102.3
Combined ratio before catastrophe losses and prior year casualty development	90.7	86.9	82.0	98.1	102.3
Other Statistics					
Non-catastrophe property loss and loss expenses	\$ 4.5	4.3	5.6	6.7	9.8
Non-catastrophe property loss and loss expenses	7.8 pts	7.3	10.0	12.6	18.9
Direct new business	\$ 25.7	27.3	32.2	20.3	18.3
Renewal pure price increases	5.6 %	2.9	4.9	5.3	5.0

Non-catastrophe property losses and the non-catastrophe property loss ratios now include loss expenses. All prior periods presented have been updated to reflect this change.

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

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

<i>(\$ in millions)</i>	Quarter Ended March 31, 2019			Quarter Ended March 31, 2018		
	Casualty	Property	Total	Casualty	Property	Total
Net premiums written	\$ 43.3	13.6	56.9	34.7	12.9	47.6
Net premiums earned	44.5	13.6	58.1	38.5	13.7	52.2
Loss and loss expense ratio	66.0%	39.2	59.7	69.5	67.4	69.0
Underwriting expense ratio	32.0	33.5	32.4	31.6	33.7	32.1
Combined ratio	98.0%	72.7	92.1	101.1	101.1	101.1
Underwriting gain (loss)	\$ 0.9	3.7	4.6	(0.4)	(0.2)	(0.6)

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED INVESTMENT INCOME

(Unaudited)

(\$ in millions)	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Net investment income					
Fixed income securities					
Taxable	\$ 41.0	39.1	36.6	34.9	32.4
Tax-exempt	8.0	8.1	8.5	8.9	9.6
Total fixed income securities	49.0	47.2	45.1	43.8	42.0
Equity securities	1.6	1.9	2.1	1.8	2.0
Other investments	0.7	6.9	7.2	2.1	1.6
Short-term investments	2.0	1.5	0.9	0.6	0.5
Investment income	53.4	57.5	55.2	48.3	46.1
Investment expenses	(2.8)	(3.4)	(2.8)	(2.7)	(2.9)
Investment tax expense	(9.3)	(9.9)	(9.6)	(8.0)	(7.4)
Total net investment income, after-tax	\$ 41.3	44.2	42.9	37.6	35.8
Net realized and unrealized capital gains (losses)					
Fixed income securities	\$ 1.1	(21.0)	(9.4)	(1.2)	(3.3)
Equity securities	2.3	0.7	8.7	1.2	8.0
Short-term investments	—	—	—	—	—
Other investments	—	(2.7)	—	—	—
Realized net gains (losses) on the disposal of securities	3.4	(23.0)	(0.7)	—	4.7
Other-than-temporary impairment losses	(0.1)	(1.1)	(1.4)	(2.8)	(1.2)
Unrealized gains (losses) on equity securities	10.1	(13.8)	(2.6)	1.1	(14.1)
Total net realized and unrealized capital gains (losses) recognized in net income, before-tax	\$ 13.5	(37.9)	(4.8)	(1.7)	(10.5)
Change in unrealized gains (losses) recognized in other comprehensive income, before-tax	\$ 101.8	29.2	(10.7)	(21.1)	(80.8)
Average investment yields					
Fixed income securities, before-tax	3.6 %	3.6	3.5	3.4	3.2
Fixed income securities, after-tax	3.0	2.9	2.8	2.8	2.7
Total portfolio, before-tax	3.4 %	3.7	3.6	3.2	3.0
Total portfolio, after-tax	2.8	3.0	3.0	2.7	2.5
Effective tax rate on net investment income	18.4 %	18.3	18.2	17.5	17.2
New money purchase rates for fixed income securities, before-tax	3.9	4.1	3.7	3.8	3.3
New money purchase rates for fixed income securities, after-tax	3.1	3.3	2.9	3.0	2.6
Effective duration of fixed income portfolio including short-term (in years)	3.5	3.6	3.7	3.9	3.8

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

CONSOLIDATED COMPOSITION OF INVESTED ASSETS

(Unaudited)

(\$ in millions)	Mar. 31, 2019		Dec. 31, 2018		Sept. 30, 2018		June 30, 2018		Mar. 31, 2018	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed income securities, at fair value	\$ 5,605.3	90 %	5,311.4	89	5,236.4	89	5,181.0	92	5,184.9	92
Equity securities, at fair value	163.0	3	147.6	2	157.9	3	176.6	3	168.8	3
Other investments	176.2	3	178.9	3	163.9	3	145.2	2	143.6	2
Short-term investments	290.7	5	323.9	5	304.6	5	164.1	3	183.0	3
Total investments	\$ 6,235.2	100 %	5,961.9	100	5,862.8	100	5,666.9	100	5,680.3	100
Fixed income portfolio, at carry value										
U.S. government obligations	\$ 127.1	2 %	121.3	2	96.5	2	38.9	1	50.9	1
Foreign government obligations	20.5	—	23.1	—	18.0	—	18.0	—	18.2	—
Obligations of state and political subdivisions	1,167.7	21	1,155.9	22	1,186.8	23	1,276.2	25	1,343.3	26
Corporate securities	1,697.1	30	1,637.0	31	1,672.3	32	1,634.0	31	1,638.2	32
Collateralized loan obligations and other asset-backed securities	722.2	13	717.4	14	774.8	15	771.6	15	794.5	15
Residential mortgage-backed securities	1,301.0	23	1,128.3	21	996.8	19	989.4	19	911.5	18
Commercial mortgage-backed securities	568.2	10	527.1	10	489.5	9	451.6	9	426.6	8
Total fixed income securities	\$ 5,603.9	100 %	5,310.2	100	5,234.7	100	5,179.7	100	5,183.2	100
Weighted average credit quality										
Investment grade credit quality	\$ 5,459.3	97 %	5,186.2	98	5,105.0	97	5,037.3	97	5,033.1	97
Non-investment grade credit quality	146.0	3	125.2	2	131.4	3	143.7	3	151.8	3
Total fixed income securities, at fair value	\$ 5,605.3	100 %	5,311.4	100	5,236.4	100	5,181.0	100	5,184.9	100
Weighted average credit quality of fixed income portfolio	AA-		AA-		AA-		AA-		AA-	
Expected maturities of fixed income securities at carry value										
Due in one year or less	\$ 251.4	4 %	201.8	4	190.5	4	194.4	4	242.8	5
Due after one year through five years	2,144.2	38	2,057.7	39	2,128.2	40	2,061.8	40	1,958.7	38
Due after five years through 10 years	3,066.4	55	2,869.8	54	2,769.2	53	2,740.0	53	2,745.7	53
Due after 10 years	141.8	3	180.9	3	146.8	3	183.5	3	236.0	5
Total fixed income securities	\$ 5,603.9	100 %	5,310.2	100	5,234.7	100	5,179.7	100	5,183.2	100

Alternative investments

Strategy	March 31, 2019			
	Number of Funds	Original Commitment	Remaining Commitment	Current Market Value
Private equity	32	\$ 216.5	101.3	92.4
Private credit	14	182.3	90.8	30.5
Real assets	10	86.5	25.2	28.8
Total	56	\$ 485.3	217.3	151.7

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

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

(Unaudited)

	Quarter ended				
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
<i>(\$ in millions, except per share data)</i>					
Reconciliation of net income to non-GAAP operating income					
Net income	\$ 61.3	45.8	55.4	58.8	18.9
Net realized and unrealized (gains) losses, before tax*	(13.5)	37.9	4.8	1.7	10.5
Debt retirement costs, before tax	4.2	—	—	—	—
Tax on reconciling items, at 21%	1.9	(11.7)	(1.0)	(0.3)	(2.2)
Non-GAAP operating income	<u>\$ 54.0</u>	<u>72.0</u>	<u>59.2</u>	<u>60.1</u>	<u>27.3</u>
Reconciliation of net income per diluted share to non-GAAP operating income per diluted share					
Net income per diluted share	\$ 1.02	0.76	0.93	0.99	0.32
Net realized and unrealized (gains) losses, before tax*	(0.22)	0.63	0.08	0.03	0.18
Debt retirement costs, before tax	0.07	—	—	—	—
Tax on reconciling items, at 21%	0.03	(0.20)	(0.02)	(0.01)	(0.04)
Non-GAAP operating income per diluted share	<u>\$ 0.90</u>	<u>1.20</u>	<u>0.99</u>	<u>1.01</u>	<u>0.46</u>
Reconciliation of annualized ROE to annualized non-GAAP operating ROE					
Annualized ROE	13.2 %	10.4	12.9	14.0	4.5
Net realized and unrealized (gains) losses, before tax*	(2.9)	8.6	1.1	0.4	2.5
Debt retirement costs, before tax	0.9	—	—	—	—
Tax on reconciling items, at 21%	0.4	(2.7)	(0.2)	(0.1)	(0.5)
Annualized non-GAAP operating ROE	<u>11.6 %</u>	<u>16.3</u>	<u>13.8</u>	<u>14.3</u>	<u>6.5</u>

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

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

Note: Amounts may not foot due to rounding.

Selective Insurance Group, Inc. & Consolidated Subsidiaries

RATINGS AND CONTACT INFORMATION

Address:

40 Wantage Avenue
Branchville, NJ 07890

Corporate Website:

www.Selective.com

As of March 31, 2019

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

Investor Contact:

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

REGISTRAR AND TRANSFER AGENT

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

Media Contact:

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