

Selective Insurance Group, Inc.

Bank of America Merrill Lynch Insurance Conference

February 24, 2010



Forward Looking Statement

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 are discussed in further detail in Selective's public filings with the United States Securities and Exchange Commission. 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.



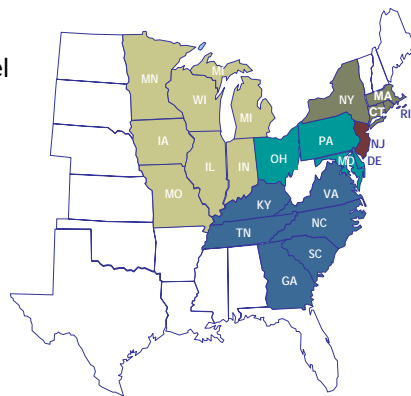
Financial Strength

Dale Thatcher
Executive Vice President
Chief Financial Officer & Treasurer



Who we are

- 22-state super-regional
- High tech, high touch business model
- Partner of choice – 960 independent agents
- \$1.4B NPW
 - 84% commercial lines
 - 16% personal lines
- History of financial strength



Rated A+ by A.M. Best for 48 years

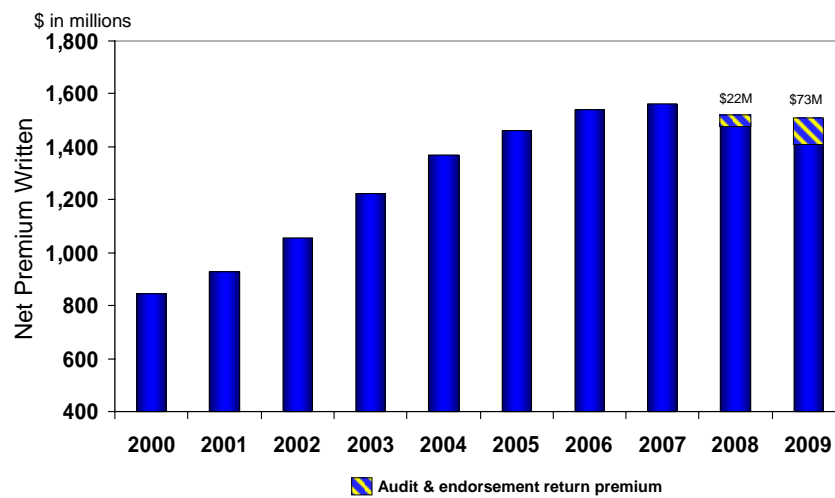


A Foundation of Financial Strength

- Economic impact on growth
- Rebalanced investment portfolio
- Disciplined reserving practices
- Strong reinsurance program

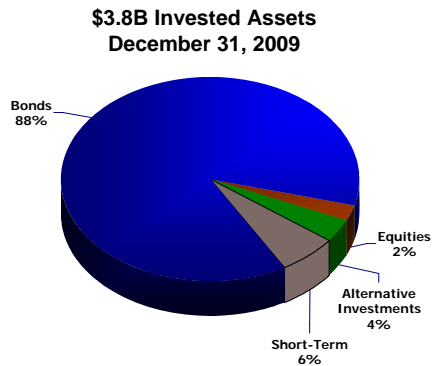


Selective: A Growth Company



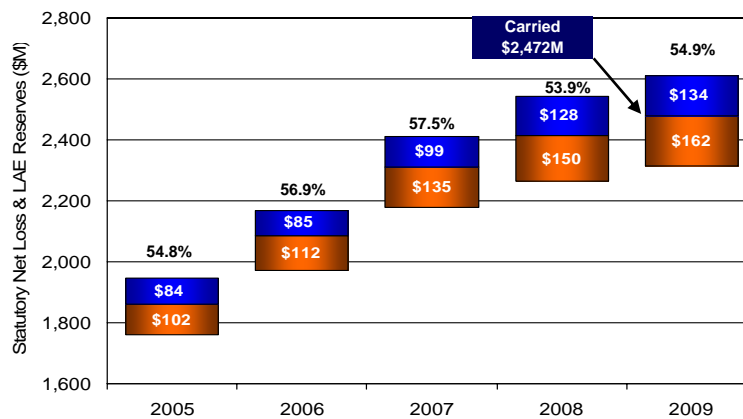
High Quality Investment Portfolio

- Average "AA+" bond quality
- Approximately 3.3 year average duration, including short-term & cash
- Rebalanced to address market risks
- Market-to-amortized cost on the fixed income portfolio improved to 101.8%
- Equities and alternative investments down to 6% of invested assets



SELECTIVE®
Response is everything.

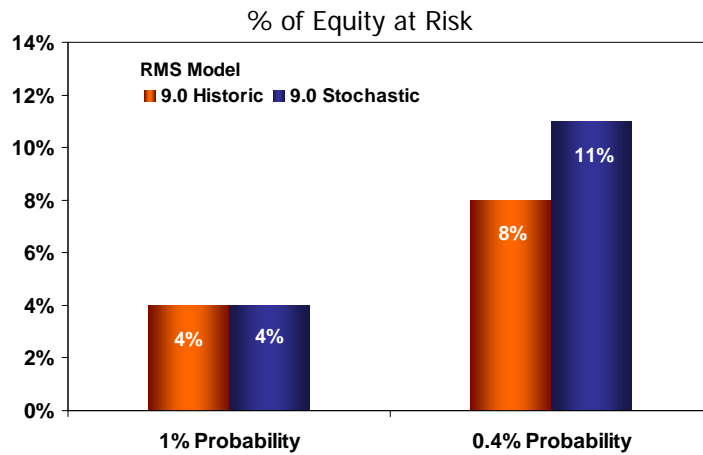
Disciplined Reserving Practices Actuarial Reserve Ranges



Calendar Year Reserve Development (p/t)	(\$5M)	\$7M	\$16M	\$18M	\$29M
Loss Ratio (pts)	(0.4)	0.5	1.0	1.2	2.0

SELECTIVE®
Response is everything.

Strong Natural Catastrophe Reinsurance Program

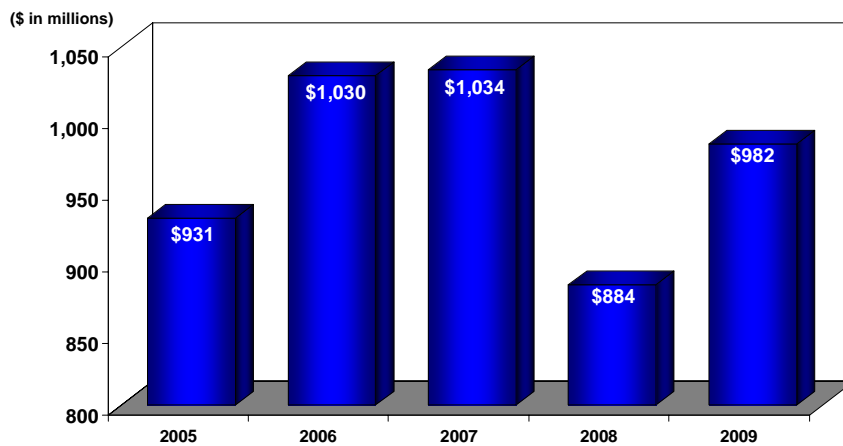


CAT cover: \$310M in excess of \$40M

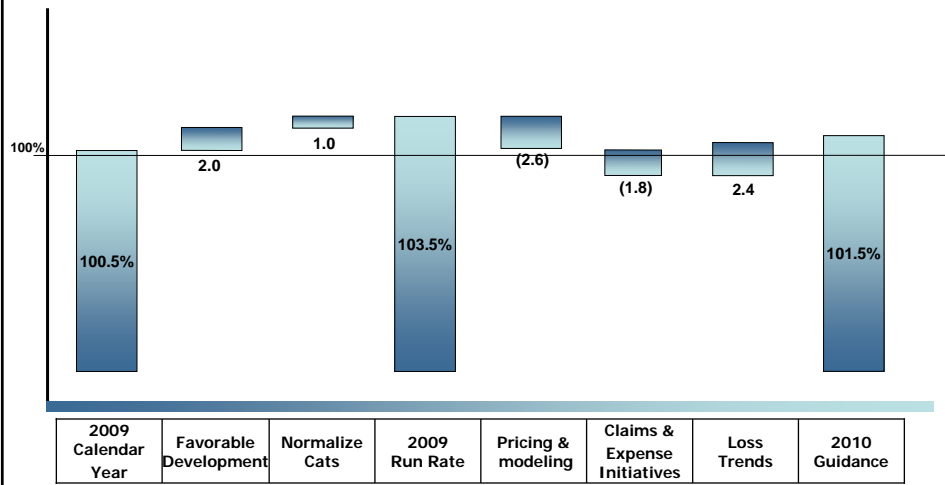
Percentages are net of tax, reinsurance and reinstatement premium.
 RMS data as of 7/09; Equity data as of 12/31/09.



Surplus Position



2010 Statutory Combined Ratio Guidance




SELECTIVE[®]
 Response is everything.

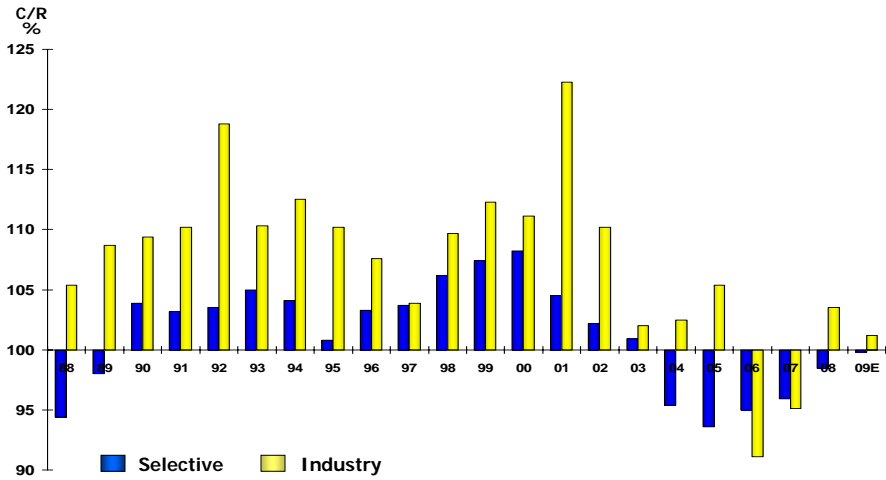
**Competitively Positioned for
the Market Turn**

Greg Murphy
Chairman, President & CEO


SELECTIVE[®]
 Response is everything.

Industry Has a Long History of Few Profitable Years

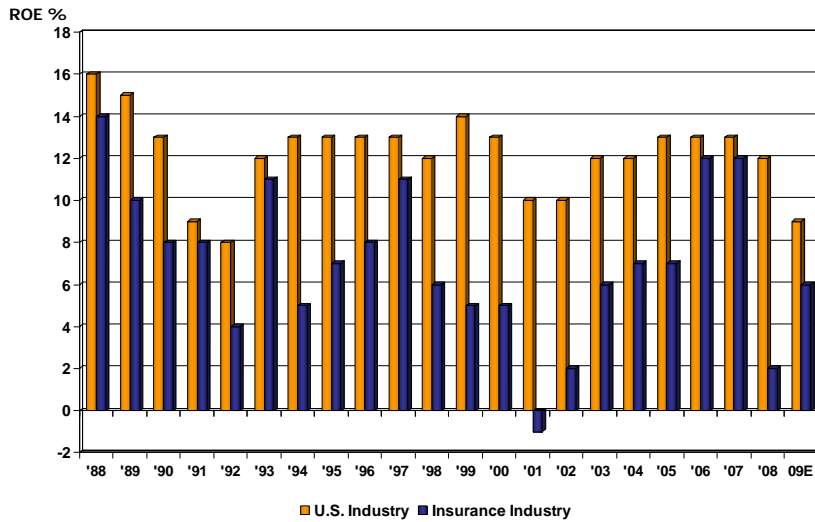
P&C Commercial Combined Ratios, 1988-2009E



Source: III & A.M. Best



U.S. Industry vs. Insurance Industry ROE



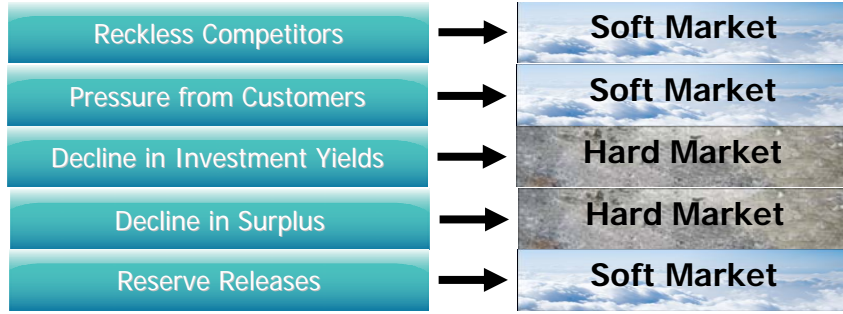
Source: III & A.M. Best



Commercial Lines: Is the Market Ready to Turn?

Factor

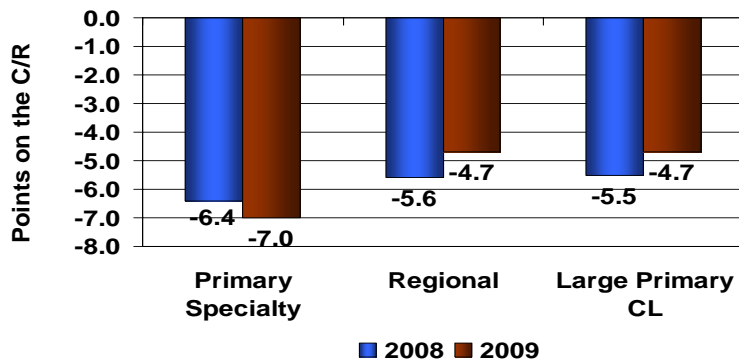
This Signals...



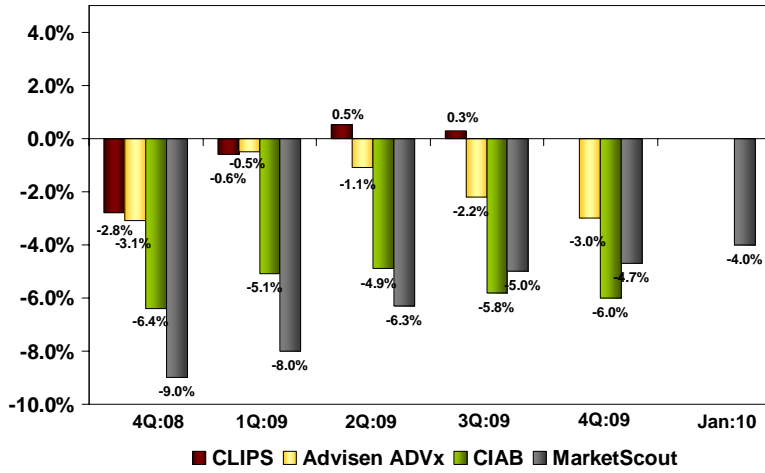
Pricing must move higher

2009 Industry Reserve Releases

2009 Sep YTD Prior Period
Development

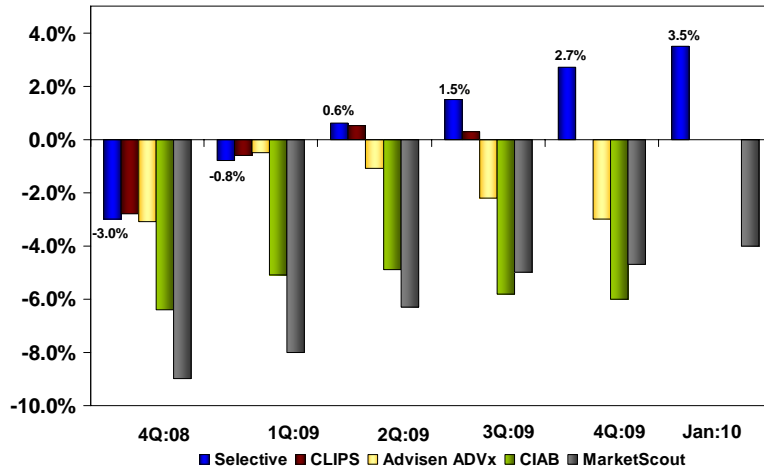


Commercial Lines Industry Pricing Indices

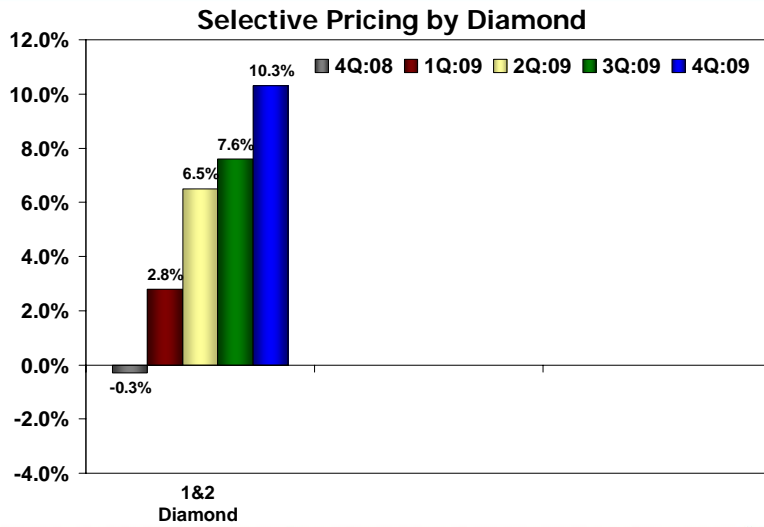


What's the value of relationships?

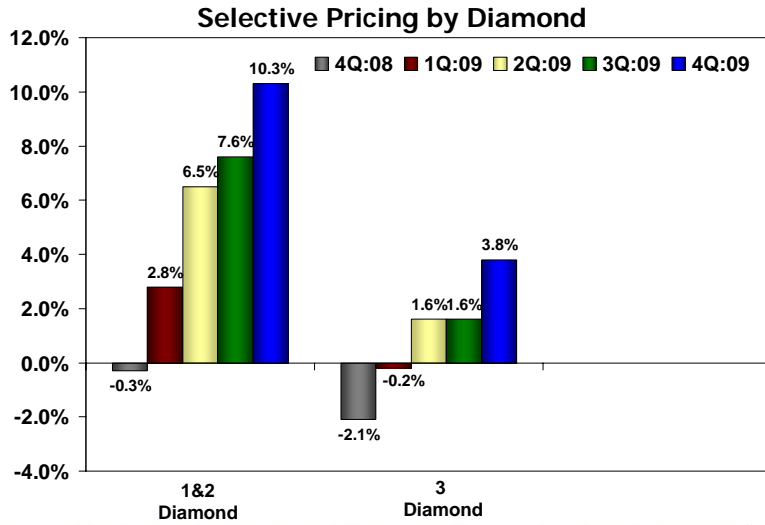
Selective's Commercial Lines Pricing Success



Granular Pricing Capabilities

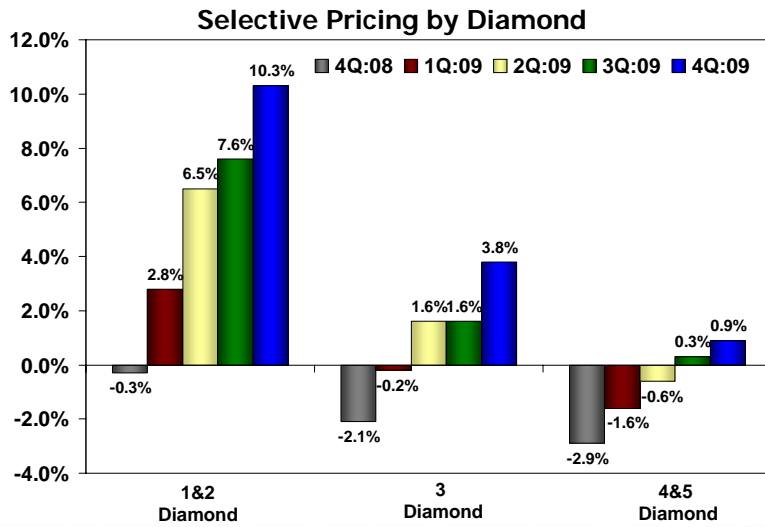


Granular Pricing Capabilities



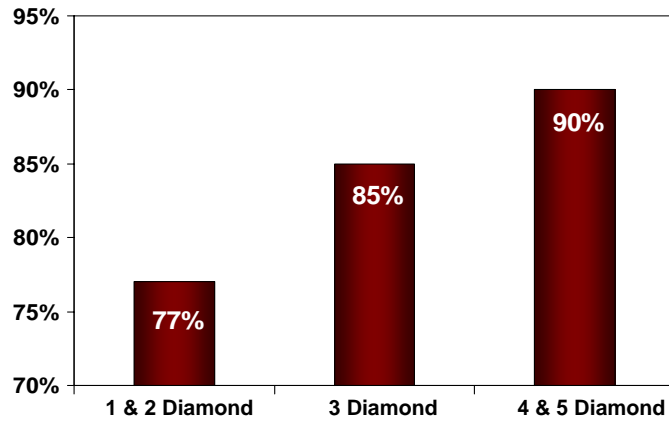
SELECTIVE®
Response is everything.

Granular Pricing Capabilities



SELECTIVE®
Response is everything.

Retaining our Best Commercial Business



Retention at point of renewal as of December 31, 2009



Commercial Lines Growth Opportunity

State	Current Share of Wallet	Most Recent Agency Commercial Lines Premium Volume (\$M)
NJ	12.5%	2,209
MD	8.6	1,054
RI	8.0	257
PA	8.8	2,011
NY	7.4	2,014
NC	9.7	448
VA	11.8	800
All other	4.4	7,823
Total	7.2	16,616



18% Share of Wallet Results in \$3.0 Billion DPW

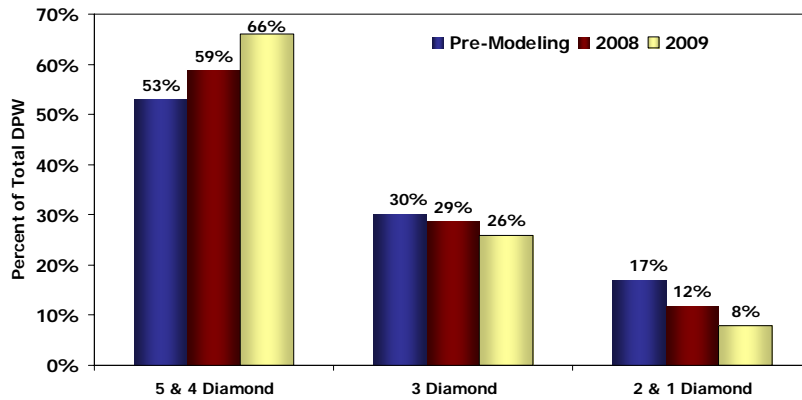
- Added over 200 agents in 2008-2009
- Tennessee and Massachusetts expansion provides \$8.5B CL potential

*Includes agents appointed in 2007 and prior, Premium year end 2009



Commercial Lines Quality Improvement

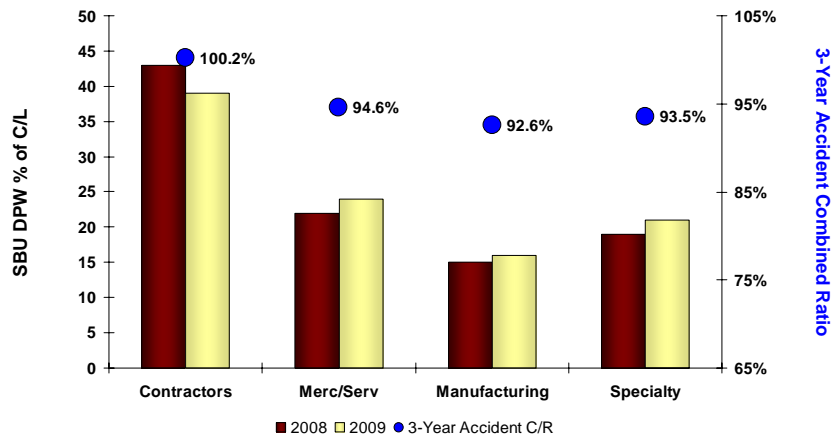
Percent of Total New Premium Diamond Distribution
WC, BOP, CPP, CA



For lines < \$50,000



Commercial Lines Diversification



Further diversification results in lower combined ratio



Personal Lines Improvement Plan

Independent agents control 35% of market

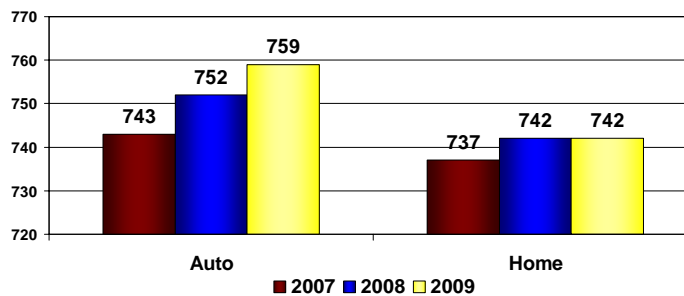
- 13-state footprint opportunity – \$900 million
- Underwriting and automation improvements reduced operating costs and increased data quality

In-force Rate and Premium			
(\$ in millions)	Blended In-force Rate	Potential Premium Based on In-force Book	New Business DPW
2008	7.1%	\$15	\$43
2009	3.1%	\$7	\$55
2010E	6.0%	\$14	--



Personal Lines Improvement Plan

- Statutory Combined Ratio including flood
 - 2009: 104.4%
 - 2010E: 100.0%
- Average insurance scores improving or stable



Focus on Long-Term Outperformance



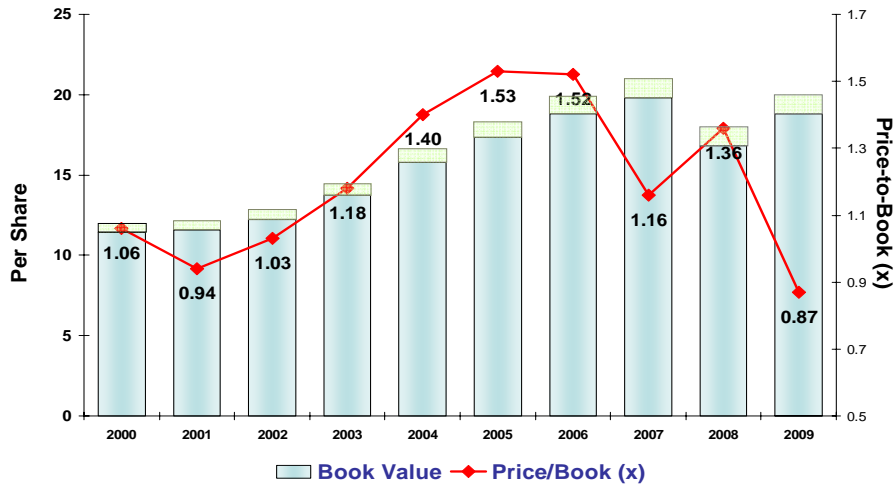
SELECTIVE®
Response is everything.

Long-Term Shareholder Value Creation



SELECTIVE®
Response is everything.

Long-Term Shareholder Value Creation



Price & Book Value as of 12/31/09



Selective Insurance Group, Inc.

Bank of America Merrill Lynch
Insurance Conference

February 24, 2010

