Supplemental Investor Package

Third Quarter 2010

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SELECTIVE INSURANCE GROUP, INC.
THIRD QUARTER 2010 INVESTOR PACKET
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Selective Insurance Group Reports Third Quarter 2010 Earnings

Branchville, NJ – October 27, 2010 – Selective Insurance Group, Inc. (NASDAQ: SIGI) today reported its financial results for the third quarter ended September 30, 2010. Net income for the quarter was $0.32 per diluted share and operating income[1] was $0.35 per diluted share. Net investment income, after tax, decreased 11%, to $25.3 million, compared to third quarter 2009. Book value per share increased $1.83, or 10%, to $20.41, compared to $18.58 on September 30, 2009.

"We're very pleased to have achieved our sixth straight quarter of commercial lines renewal price increases with a third quarter increase of 2.8%," said Chairman, President and Chief Executive Officer Gregory E. Murphy. "We are one of the few carriers raising price in a market with little or no pricing power and we continue to pursue our Commercial Lines strategy of balancing price increases with retention. In Personal Lines, we have achieved renewal price increases of 6.4% and experienced a slight improvement in retention in the quarter.

"Commercial Lines net premiums written declined 6% as return audit and endorsement premium continues to be a factor due to the soft economy," said Murphy. "In Personal Lines, net premiums written grew 13% as we continued to improve our mix of business.

"The overall statutory combined ratio was 100.3% with a profitable 99.8% for Commercial Lines and 103.2% for Personal Lines. Our operating income per diluted share was $0.35, down from $0.44 a year ago, partially due to $12 million in catastrophe losses and lower investment income," continued Murphy. "Multiple storms with wind and hail in the second and third quarter contributed to catastrophe losses. Offsetting the catastrophe losses was favorable prior year casualty development of $13 million, or 3.7 points. Investment income was $25 million, down $3 million compared to third quarter 2009."

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Selective's third quarter 2010 highlights compared to third quarter 2009:

- Net income was up 32% to $17.2 million, or $0.32 per diluted share, compared to $13.0 million, or $0.24 per diluted share;
- Net realized losses on investments decreased $3.3 million, after tax. Non-cash other-than-temporary impairments were $1.8 million, after tax, compared to $2.8 million, after tax;
- Operating income[1] decreased 21% to $18.8 million, or $0.35 per diluted share, compared to $23.8 million, or $0.44 per diluted share;
- Combined ratio: GAAP: 101.1% compared to 100.0%; Statutory: 100.3% compared to 99.8%;
- Total net premiums written (NPW) were down 3% to $367.1 million;
    - Commercial Lines NPW were down 6% to $297.0 million;
    - Personal Lines NPW were up 13% to $70.1 million;
- Catastrophe losses were $7.8 million, after tax, versus $1.3 million, after tax; and
- Net investment income, after tax, decreased 11% to $25.3 million.

For the nine months ended September 30, 2010 compared to the first nine months of 2009:

- Net income was $41.8 million, or $0.77 per diluted share, compared to $15.8 million, or $0.30 per diluted share;
- Net realized losses on investments were $2.1 million, after tax, including non-cash other-than-temporary impairments of $11.2 million, after tax, compared to a loss of $26.2 million, including non-cash other-than-temporary impairments of $28.5 million, after tax;
- Operating income[1] was $47.6 million, or $0.88 per diluted share, compared to $49.2 million, or $0.92 per diluted share;
- Combined ratio: GAAP: 102.0% compared to 99.7%; Statutory: 101.4% compared to 99.6%;
- Total NPW were down 3% to $1.1 billion;
    - Commercial Lines NPW were down 5% to $895.8 million;
    - Personal Lines NPW were up 13% to $192.9 million;
- Catastrophe losses were $33.9 million, after tax, versus $5.5 million, after tax; and
- Net investment income, after tax, increased 22% to $80.1 million.

Balance Sheet and Guidance

At September 30, 2010, Selective's assets were $5.3 billion, up 4% over year end 2009. Stockholders' equity was up 4%, to $1.1 billion, and statutory surplus was $1.0 billion at the end of the quarter.

Selective's Board of Directors declared a $0.13 per share quarterly cash dividend on common stock payable December 1, 2010 to stockholders of record as of November 12, 2010.

The 2010 guidance remains at a statutory combined ratio of 101.5%.

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The supplemental investor packet, including financial information that is not part of this press release, is available on the Investors' page of Selective's public website at www.selective.com. Selective's quarterly analyst conference call will be simulcast at 8:30 a.m. ET, on October 28, 2010 at www.selective.com. The webcast will be available for rebroadcast until the close of business on November 29, 2010.

About Selective Insurance Group, Inc.
Selective Insurance Group, Inc. is a holding company for seven property and casualty insurance companies rated "A+" (Superior) by A.M. Best. Through independent agents, the insurance companies offer primary and alternative market insurance for commercial and personal risks, and flood insurance underwritten by the National Flood Insurance Program. Selective maintains a website at www.selective.com.

Forward-Looking Statements
In this press release, Selective and its management discuss and make statements based on currently available information regarding their intentions, beliefs, current expectations and projections regarding Selective's future operations and performance.

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, 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;

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- the cost and availability of reinsurance;
- our ability to collect on reinsurance and the solvency of our reinsurers;
- 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, particularly changes in New Jersey automobile insurance laws and regulations;
- 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 and Corporate Governance sections of Selective's website, www.selective.com, or through the SEC's EDGAR Database at www.sec.gov (Selective EDGAR CIK No. 0000230557).

[1]Operating income differs from net income by the exclusion of realized gains or losses on investments and the results of discontinued operations. It is used as an important financial measure by management, analysts and investors, because the realization of investment gains and losses on sales in any given period is largely discretionary as to timing. In addition, these investment gains and losses, as well as other-than-temporary investment impairments that are charged to earnings and the results of discontinued operations, could distort the analysis of trends. Operating income is not intended as a substitute for net income prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). A reconciliation of operating income to net income is provided in the GAAP Highlights and Reconciliation of Non-GAAP Measures to Comparable GAAP Measures. Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners Accounting Practices and Procedures Manual and, therefore, is not reconciled to GAAP.

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Selective Insurance Group, Inc. (Nasdaq: SIGI) *
GAAP Highlights and Reconciliation of Non-GAAP Measures to Comparable GAAP Measures

(in thousands, except per share data)

3 months ended September 30:		**2010**	**2009**
Net premiums written	$	367,114	376,718
Net premiums earned		354,709	355,906
Net investment income earned		32,986	36,585
Net realized gains (losses)		57	(4,983)
Total revenues		389,702	390,175
Operating income		18,794	23,845
Net realized gains (losses), net of tax		37	(3,239)
Loss from discontinued operations, net of tax		(1,634)	(7,599)
Net income	$	17,197	13,007
Statutory combined ratio		100.3%	99.8%
Statutory combined ratio, excluding catastrophe losses		96.9%	99.3%
GAAP combined ratio		101.1%	100.0%
Operating income per diluted share	$	0.35	0.44
Net income per diluted share		0.32	0.24
Weighted average diluted shares		54,573	53,548
Book value per share	$	20.41	18.58

9 months ended September 30:		**2010**	**2009**
Net premiums written	$	1,088,729	1,117,764
Net premiums earned		1,063,101	1,078,090
Net investment income earned		104,237	78,670
Net realized losses		(3,271)	(40,302)
Total revenues		1,170,532	1,124,216
Operating income		47,641	49,211
Net realized losses, net of tax		(2,126)	(26,197)
Loss from discontinued operations, net of tax		(3,749)	(7,196)
Net income	$	41,766	15,818
Statutory combined ratio		101.4%	99.6%
Statutory combined ratio, excluding catastrophe losses		96.5%	98.8%
GAAP combined ratio		102.0%	99.7%
Operating income per diluted share	$	0.88	0.92
Net income per diluted share		0.77	0.30
Weighted average diluted shares		54,390	53,312
Book value per share	$	20.41	18.58

**All amounts included in this release exclude intercompany transactions.*

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Selective Insurance Group, Inc.
Selected Balance Sheet Data (unaudited)
($ in thousands, except per share amounts)

	September 30, 2010			September 30, 2009			December 31, 2009		
	Balance Sheet	Market Value	Unrealized/ Unrecognized Gain/(Loss)	Balance Sheet	Market Value	Unrecognized/ Unrealized (Loss)/Gain	Balance Sheet	Market Value	Unrecognized/ Unrealized (Loss)/Gain
Invested Assets:									
Corporate bonds[1]	$ 1,548,160	1,569,975	73,054	$ 1,122,000	1,134,012	(23,009)	$ 1,144,692	1,163,973	(13,031)
Government and municipal bonds	1,939,587	1,985,217	121,589	2,170,426	2,194,067	96,828	2,201,580	2,212,107	72,101
Total bonds	3,487,747	3,555,192	194,643	3,292,426	3,328,079	73,819	3,346,272	3,376,080	59,070
Equities	63,116	63,116	8,065	89,892	89,892	13,087	80,264	80,264	15,874
Short-term investments	265,043	265,043	-	236,896	236,896	-	213,848	213,848	-
Other investments	154,728	154,728	(19,452)	147,482	147,482	(20,381)	140,667	140,667	(25,774)
Total invested assets	3,970,634	4,038,079	183,256	3,766,696	3,802,349	66,525	3,781,051	3,810,859	49,170
Invested assets per $ of stockholders' equity	3.64			3.82			3.77		
Total assets	5,334,521			5,158,303			5,114,827		
Liabilities:									
Reserve for losses and loss expenses	2,809,797			2,718,855			2,745,799		
Unearned premium reserve	880,698			895,446			844,847		
Total liabilities	4,242,205			4,171,974			4,112,452		
Stockholders' equity	1,092,316			986,329			1,002,375		
Total debt to capitalization ratio	19.4%			21.0%			21.5%		
Adjusted total debt to capitalization ratio [2]	13.8%			15.0%			15.6%		
Book value per share	20.41			18.58			18.83		
Book value per share excluding unrealized gain or loss on bond portfolio	18.87			18.12			18.47		
NPW per insurance segment employee	760			772			766		
Statutory premiums to surplus ratio	1.4x			1.6x			1.5x		
Statutory surplus	1,034,321			903,505			981,955		

[1] Includes mortgage-backed and asset-backed securities.
[2] The adjusted debt to capitalization ratio reflects an estimated equity treatment of 75% applied to our $100 million Junior Subordinated Notes issued September 25, 2006.

Selective Insurance Group, Inc.
Selected Income Statement Data (unaudited)
September 2010
($ in thousands, except per share amounts)

		THREE MONTHS ENDED September 30,				NINE MONTHS ENDED September 30,			
		2010		2009		2010		2009	
			Per diluted share		Per diluted share		Per diluted share		Per diluted share
Consolidated									
Revenue		$ 389,702		$ 390,175		$ 1,170,532		$ 1,124,216	
Operating income		18,794	0.35	23,845	0.44	47,641	0.88	49,211	0.92
Net realized gains (losses), after tax		37	-	(3,239)	(0.06)	(2,126)	(0.04)	(26,197)	(0.49)
Income from continuing operations		18,831	0.35	20,606	0.38	45,515	0.84	23,014	0.43
Loss on discontinued operations, after tax		(1,634)	(0.03)	(7,599)	(0.14)	(3,749)	(0.07)	(7,196)	(0.13)
Net income		17,197	0.32	13,007	0.24	41,766	0.77	15,818	0.30
Operating return on equity		**7.0%**		**9.9%**		**6.1%**		**7.0%**	
Insurance Operations									
Gross premiums written		446,684		446,419		1,295,622		1,312,630	
Net premiums written		367,114		376,718		1,088,729		1,117,764	
Net premiums earned		354,709		355,906		1,063,101		1,078,090	
Underwriting (loss) gain	- before tax	(3,933)		(142)		(21,699)		2,927	
	- after tax	(2,556)	(0.05)	(92)	-	(14,104)	(0.26)	1,903	0.04
GAAP combined ratio		**101.1%**		**100.0%**		**102.0%**		**99.7%**	
Commercial lines									
Net premiums earned		293,225		301,279		884,134		918,069	
GAAP combined ratio		**100.0%**		**99.3%**		**100.9%**		**98.9%**	
Personal lines									
Net premiums earned		61,484		54,627		178,967		160,021	
GAAP combined ratio		**106.4%**		**104.2%**		**107.8%**		**104.5%**	
Investments									
Net investment income	- before tax	32,986		36,585		104,237		78,670	
	- after tax	25,305	0.46	28,382	0.53	80,058	1.47	65,392	1.23
Effective tax rate		23.3%		22.4%		23.2%		16.9%	
Annual after-tax yield on investment portfolio						**2.8%**		**2.4%**	
Annual after-tax, after-interest expense yield						**2.4%**		**2.0%**	
Invested assets per $ of stockholders' equity						**3.64**		**3.82**	
Other expenses (net of other income)									
Interest expense	- before tax	(4,559)		(4,751)		(14,056)		(14,618)	
	- after tax	(2,963)	(0.05)	(3,089)	(0.06)	(9,136)	(0.17)	(9,502)	(0.18)
Other - after tax		$ (992)	(0.01)	$ (1,356)	(0.03)	(9,177)	(0.16)	$ (8,582)	(0.17)
Diluted weighted avg. shares outstanding		54,573		53,548		54,390		53,312	

Selective Insurance Group, Inc. and Consolidated Subsidiaries

GAAP Investment Income

(unaudited)

($ in thousands)

	For the three months ended September 2010	For the three months ended September 2009	% Increase (Decrease)	Year to Date September 2010	Year to Date September 2009	% Increase (Decrease)
Investment Income:						
Interest:						
Fixed Maturity Securities	31,741	34,747	(8.7)	97,914	106,980	(8.5)
Short-term	134	237	(43.5)	367	1,161	(68.4)
Alternative Investments	2,359	2,660	(11.3)	11,122	(26,744)	141.6
Dividends	347	551	(37.0)	1,279	1,562	(18.1)
Changes in Fair Value	-	-	N/M	-	262	(100.0)
Miscellaneous	41	53	(22.6)	94	293	(67.9)
	34,622	38,248	(9.5)	110,776	83,514	32.6
Investment Expense	1,636	1,663	(1.6)	6,539	4,844	35.0
Net Investment Income Before Tax	32,986	36,585	(9.8)	104,237	78,670	32.5
Tax	7,681	8,203	(6.4)	24,179	13,278	82.1
Net Investment Income After Tax	**$ 25,305**	**28,382**	**(10.8)**	**$ 80,058**	**65,392**	**22.4**
Net Investment Income per Share	**$ 0.46**	**0.53**	**(13.2)**	**$ 1.47**	**1.23**	**19.5**
Effective Tax Rate	23.3%	22.4%		23.2%	16.9%	
Average Yields :						
Fixed Maturity Securities:						
Pre Tax				3.60%	4.25%	
After Tax				2.81%	3.35%	
Portfolio:						
Pre Tax				3.59%	2.87%	
After Tax				2.75%	2.39%	

Net Realized Gains(Losses)	For the three months ended September 2010	For the three months ended September 2009	Year to date: September 2010	Year to date: September 2009
Total Fixed Maturities	1,791	(4,392)	(14,806)	(38,038)
Total Equity Securities	(1,734)	259	11,535	(225)
Total Other Investments	-	(850)	-	(2,039)
Total	57	(4,983)	(3,271)	(40,302)
Net of Tax	37	(3,239)	(2,126)	(26,197)

Selective Insurance Group, Inc.
2010 Statutory Results by Line of Business
3rd Qtr 2010 (unaudited)
($ in thousands)

	Net Premiums Written	Percent Change	Net Premiums Earned	Percent Change	Loss Ratio	LAE Ratio	Underwriting Expense Ratio	Dividends to Policyholders Ratio	Combined Ratio 2010	Combined Ratio 2009	Underwriting Gain/(Loss)
Personal Lines:											
Homeowners	$ 28,261	20.1%	$ 22,544	21.1%	70.9%	7.6%	29.9%	0.0%	108.4%	100.1%	$ (3,589)
Auto	38,445	7.9%	35,928	7.8%	67.6%	11.9%	29.5%	0.0%	109.0%	110.9%	(3,959)
Other (including flood)	3,403	8.6%	3,013	11.7%	73.8%	(17.2)%	(62.0)%	0.0%	(5.4)%	2.5%	3,419
Total	**$ 70,110**	**12.6%**	**$ 61,484**	**12.6%**	**69.1%**	**8.9%**	**25.2%**	**0.0%**	**103.2%**	**101.8%**	**$ (4,129)**
Commercial Lines:											
Fire/IM	$ 53,764	(3.2)%	$ 49,558	(0.6)%	50.1%	4.6%	35.6%	(0.1)%	90.2%	81.2%	$ 3,352
Workers compensation	57,997	(12.3)%	61,179	(5.5)%	85.9%	15.0%	28.0%	1.3%	130.2%	110.9%	(17,598)
General liability	84,141	(5.3)%	83,249	(5.7)%	47.6%	17.3%	34.2%	0.0%	99.1%	103.9%	442
Auto	75,425	(5.9)%	73,440	(2.7)%	45.0%	9.2%	29.1%	0.0%	83.3%	98.5%	11,688
BOP	15,632	(1.3)%	16,400	3.8%	57.5%	13.4%	34.8%	0.0%	105.7%	101.2%	(667)
Bonds	5,295	0.5%	4,884	5.4%	11.9%	7.6%	56.8%	0.0%	76.3%	89.5%	922
Other	2,764	5.2%	2,529	4.2%	0.9%	0.2%	46.5%	0.0%	47.6%	47.1%	1,215
Total	**$ 295,019**	**(6.2)%**	**$ 291,239**	**(3.3)%**	**55.0%**	**12.1%**	**32.4%**	**0.3%**	**99.8%**	**99.5%**	**$ (646)**
Grand Total	**$ 365,129**	**(3.1)%**	**$ 352,723**	**(0.9)%**	**57.4%**	**11.5%**	**31.2%**	**0.2%**	**100.3%**	**99.8%**	**$ (4,775)**

Note: Some amounts may not foot due to rounding.

	2010	2009
Losses Paid	$ 219,404	$ 177,750
LAE Paid	40,101	38,686
Total Paid	$ 259,505	$ 216,436

Selective Insurance Group, Inc.
2010 Statutory Results by Line of Business
September 2010 YTD (unaudited)
($ in thousands)

	Net Premiums Written	Percent Change	Net Premiums Earned	Percent Change	Loss Ratio	LAE Ratio	Underwriting Expense Ratio	Dividends to Policyholders Ratio	Combined Ratio 2010	Combined Ratio 2009	Underwriting Gain/(Loss)
Personal Lines:											
Homeowners	$ 71,656	19.9%	$ 64,163	20.3%	70.6%	7.6%	31.9%	0.0%	110.1%	107.6%	$ (8,840)
Auto	112,278	8.7%	105,490	6.3%	71.1%	11.6%	29.6%	0.0%	112.3%	108.4%	$ (14,936)
Other (including flood)	9,000	9.2%	9,314	24.5%	57.5%	(18.0)%	(43.1)%	0.0%	(3.6)%	12.0%	9,517
Total	**$ 192,934**	**12.7%**	**$ 178,967**	**11.8%**	**70.2%**	**8.6%**	**27.1%**	**0.0%**	**105.9%**	**103.6%**	**$ (14,259)**
Commercial Lines:											
Fire/IM	$ 153,405	(1.6)%	$ 150,188	1.7%	54.9%	4.2%	37.3%	(0.1)%	96.3%	86.8%	$ 4,384
Workers compensation	187,540	(7.6)%	187,889	(6.9)%	79.9%	15.6%	27.1%	1.8%	124.4%	101.2%	(45,833)
General liability	257,188	(8.5)%	252,438	(8.0)%	44.0%	17.0%	34.2%	(0.1)%	95.1%	104.0%	10,704
Auto	223,680	(5.3)%	220,932	(2.5)%	49.7%	8.3%	29.5%	(0.1)%	87.4%	97.9%	27,120
BOP	48,887	1.9%	48,838	4.9%	73.3%	13.7%	34.5%	0.0%	121.5%	112.9%	(10,532)
Bonds	15,136	4.6%	14,315	3.6%	15.2%	6.3%	59.8%	0.0%	81.3%	91.2%	2,178
Other	7,972	2.9%	7,549	5.0%	1.9%	0.3%	44.8%	0.0%	47.0%	45.7%	3,812
Total	**$ 893,809**	**(5.6)%**	**$ 882,148**	**(3.9)%**	**55.7%**	**11.8%**	**32.7%**	**0.3%**	**100.5%**	**98.9%**	**$ (8,167)**
Grand Total	**$ 1,086,744**	**(2.8)%**	**$ 1,061,116**	**(1.6)%**	**58.2%**	**11.3%**	**31.6%**	**0.3%**	**101.4%**	**99.6%**	**$ (22,426)**

Note: Some amounts may not foot due to rounding.

	2010	2009
Losses Paid	$ 588,974	$ 572,020
LAE Paid	114,703	116,193
Total Paid	$ 703,677	$ 688,213

SELECTIVE INSURANCE GROUP, INC. CONSOLIDATED BALANCE SHEETS ($ in thousands, except share amounts)		Unaudited September 30, 2010	December 31, 2009
ASSETS			
Investments:			
Fixed maturity securities, held-to-maturity – at carry value			
(fair value: $1,440,143 – 2010; $1,740,211 – 2009)	$	**1,372,698**	1,710,403
Fixed maturity securities, available-for-sale – at fair value			
(amortized cost: $2,006,685 – 2010; $1,616,456 – 2009)		**2,115,049**	1,635,869
Equity securities, available-for-sale – at fair value			
(cost of: $55,051 – 2010; $64,390 – 2009)		**63,116**	80,264
Short-term investments (at cost which approximates fair value)		**265,043**	213,848
Other investments		**154,728**	140,667
Total investments		**3,970,634**	3,781,051
Cash		**422**	811
Interest and dividends due or accrued		**36,283**	34,651
Premiums receivable, net of allowance for uncollectible			
accounts of: $4,856 – 2010; $5,880 – 2009		**460,394**	446,577
Reinsurance recoverables, net		**307,105**	276,018
Prepaid reinsurance premiums		**115,745**	105,522
Current federal income tax		**24,760**	17,662
Deferred federal income tax		**79,799**	111,038
Property and equipment – at cost, net of accumulated			
depreciation and amortization of: $149,255 – 2010; $141,251 – 2009		**41,832**	46,287
Deferred policy acquisition costs		**218,590**	218,601
Goodwill		**7,849**	7,849
Other assets		**71,108**	68,760
Total assets	$	**5,334,521**	5,114,827
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Reserve for losses and loss expenses	$	**2,809,797**	2,745,799
Unearned premiums		**880,698**	844,847
Notes payable		**262,326**	274,606
Accrued salaries and benefits		**101,464**	103,802
Other liabilities		**187,920**	143,398
Total liabilities	$	**4,242,205**	4,112,452
Stockholders' Equity:			
Preferred stock of $0 par value per share:			
Authorized shares 5,000,000; no shares issued or outstanding	$	**-**	-
Common stock of $2 par value per share			
Authorized shares 360,000,000			
Issued: 96,189,223 – 2010; 95,822,959 – 2009		**192,378**	191,646
Additional paid-in capital		**241,472**	231,933
Retained earnings		**1,159,496**	1,138,978
Accumulated other comprehensive income (loss)		**48,220**	(12,460)
Treasury stock – at cost (shares: 42,677,198 – 2010; 42,578,779 – 2009)		**(549,250)**	(547,722)
Total stockholders' equity		**1,092,316**	1,002,375
Commitments and contingencies			
Total liabilities and stockholders' equity	$	**5,334,521**	5,114,827

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

($ in thousands, except per share amounts)		Quarter ended September 30, 2010	Quarter ended September 30, 2009	Nine Months ended September 30, 2010	Nine Months ended September 30, 2009
Revenues:					
Net premiums earned	$	**354,709**	355,906	**1,063,101**	1,078,090
Net investment income earned		**32,986**	36,585	**104,237**	78,670
Net realized gains (losses):					
Net realized investment gains (losses)		**2,864**	(741)	**13,960**	3,515
Other-than-temporary impairments		**(4,091)**	(5,833)	**(16,326)**	(45,467)
Other-than-temporary impairments on fixed maturity securities recognized in other comprehensive income		**1,284**	1,591	**(905)**	1,650
Total net realized gains (losses)		**57**	(4,983)	**(3,271)**	(40,302)
Other income		**1,950**	2,667	**6,465**	7,758
Total revenues		**389,702**	390,175	**1,170,532**	1,124,216
Expenses:					
Losses and loss expenses incurred		**245,019**	242,032	**739,142**	733,275
Policy acquisition costs		**114,042**	114,520	**346,143**	342,148
Interest expense		**4,559**	4,751	**14,056**	14,618
Other expenses		**4,022**	7,045	**18,636**	21,083
Total expenses		**367,642**	**368,348**	**1,117,977**	1,111,124
Income from continuing operations, before federal income tax		**22,060**	21,827	**52,555**	13,092
Federal income tax expense (benefit):					
Current		**(1,691)**	(426)	**8,475**	3,818
Deferred		**4,920**	1,647	**(1,435)**	(13,740)
Total federal income tax expense (benefit)		**3,229**	1,221	**7,040**	(9,922)
Net income from continuing operations		**18,831**	20,606	**45,515**	23,014
Loss from discontinued operations, net of tax of $(4,147) for Third Quarter 2009 and $(4,106) for Nine Months 2009		**-**	(7,599)	**-**	(7,196)
Loss on disposal of discontinued operations, net of tax of $(880) for Third Quarter 2010 and $(2,019) for Nine Months 2010		**(1,634)**	-	**(3,749)**	-
Total discontinued operations, net of tax		**(1,634)**	(7,599)	**(3,749)**	(7,196)
Net income	$	**17,197**	13,007	**41,766**	15,818
Earnings per share:					
Basic net income from continuing operations		**0.35**	0.39	**0.85**	0.44
Basic net loss from disposal of discontinued operations		**(0.03)**	(0.14)	**(0.07)**	(0.14)
Basic net income	$	**0.32**	0.25	**0.78**	0.30
Diluted net income from continuing operations		**0.35**	0.38	**0.84**	0.43
Diluted net loss from disposal of discontinued operations		**(0.03)**	(0.14)	**(0.07)**	(0.13)
Diluted net income	$	**0.32**	0.24	**0.77**	0.30
Dividends to stockholders	$	**0.13**	0.13	**0.39**	0.39

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

($ in thousands, except per share amounts)		Nine Months ended September 30, 2010		2009	
Common stock:					
Beginning of year	$	**191,646**		190,527	
Dividend reinvestment plan (shares: 81,471 – 2010; 96,265 – 2009)		**163**		193	
Stock purchase and compensation plans (shares: 284,793 – 2010; 274,517 – 2009)		**569**		549	
End of period		**192,378**		191,269	
Additional paid-in capital:					
Beginning of year		**231,933**		217,195	
Dividend reinvestment plan		**1,098**		1,136	
Stock purchase and compensation plans		**8,441**		9,873	
End of period		**241,472**		228,204	
Retained earnings:					
Beginning of year		**1,138,978**		1,128,149	
Cumulative effect adjustment due to adoption of other-than-temporary impairment guidance under ASC 320, net of deferred income tax		**-**		2,380	
Net income		**41,766**	**41,766**	15,818	15,818
Cash dividends to stockholders ($0.39 per share – 2010; $0.39 per share – 2009)		**(21,248)**		(20,932)	
End of period		**1,159,496**		1,125,415	
Accumulated other comprehensive income (loss):					
Beginning of year		**(12,460)**		(100,666)	
Cumulative-effect adjustment due to adoption of other-than-temporary impairment guidance under ASC 320, net of deferred income tax		**-**		(2,380)	
Other comprehensive income (loss), increase (decrease) in:					
Unrealized gains on investment securities:					
Non-credit portion of other-than-temporary impairment losses recognized in other comprehensive income, net of deferred income tax		**3,026**		(998)	
Other net unrealized gains on investment securities, net of deferred income tax		**55,556**		91,529	
Total unrealized gains on investment securities		**58,582**	**58,582**	90,531	90,531
Defined benefit pension plans, net of deferred income tax		**2,098**	**2,098**	1,377	1,377
End of period		**48,220**		(11,138)	
Comprehensive income			**102,446**		107,726
Treasury stock:					
Beginning of year		**(547,722)**		(544,712)	
Acquisition of treasury stock (shares: 98,419 – 2010; 172,937 – 2009)		**(1,528)**		(2,709)	
End of period		**(549,250)**		(547,421)	
Total stockholders' equity	$	**1,092,316**		986,329	

SELECTIVE INSURANCE GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW

($ in thousands)	Nine Months ended September 30, 2010	2009
Operating Activities		
Net Income	**$ 41,766**	15,818
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**23,175**	21,045
Loss on disposal of discontinued operations	**3,749**	-
Stock-based compensation expense	**9,774**	9,178
Undistributed (income) losses of equity method investments	**(6,338)**	26,744
Net realized losses	**3,271**	40,302
Postretirement life curtailment benefit	**-**	(4,217)
Unrealized gain on trading securities	**-**	(262)
Goodwill impairment	**-**	12,214
Deferred tax benefit	**(1,435)**	(17,666)
Changes in assets and liabilities:		
Increase in reserves for losses and loss expenses, net of reinsurance recoverables	**32,912**	47,631
Increase in unearned premiums, net of prepaid reinsurance and advance premiums	**25,123**	39,121
Increase (decrease) in net federal income tax recoverable	**(5,079)**	13,252
Increase in premiums receivable	**(13,817)**	(10,275)
Decrease (increase) in deferred policy acquisition costs	**11**	(11,375)
(Increase) decrease in interest and dividends due or accrued	**(1,491)**	1,038
Decrease in accrued salaries and benefits	**(2,749)**	(10,920)
Decrease in accrued insurance expenses	**(6,872)**	(4,242)
Sale of trading securities	**-**	2,831
Other-net	**1,284**	(2,905)
Net adjustments	**61,518**	151,494
Net cash provided by operating activities	**103,284**	167,312
Investing Activities		
Purchase of fixed maturity securities, held-to-maturity	**-**	(158,827)
Purchase of fixed maturity securities, available-for-sale	**(699,133)**	(757,538)
Purchase of equity securities, available-for-sale	**(47,930)**	(75,856)
Purchase of other investments	**(14,348)**	(13,466)
Purchase of short-term investments	**(1,409,971)**	(1,600,685)
Sale of subsidiary	**681**	-
Sale of fixed maturity securities, held-to-maturity	**-**	5,819
Sale of fixed maturity securities, available-for-sale	**157,823**	470,202
Sale of short-term investments	**1,358,779**	1,561,901
Redemption and maturities of fixed maturity securities, held-to-maturity	**238,923**	197,095
Redemption and maturities of fixed maturity securities, available-for-sale	**251,875**	88,402
Sale of equity securities, available-for-sale	**76,277**	125,211
Proceeds from other investments	**18,468**	23,149
Purchase of property and equipment	**(4,062)**	(4,139)
Net cash used in investing activities	**(72,618)**	(138,732)
Financing Activities		
Dividends to stockholders	**(19,516)**	(19,833)
Acquisition of treasury stock	**(1,528)**	(2,709)
Principal payment of notes payable	**(12,300)**	(12,300)
Net proceeds from stock purchase and compensation plans	**3,084**	2,914
Excess tax benefits from share-based payment arrangements	**(795)**	(1,125)
Net cash used in financing activities	**(31,055)**	(33,053)
Net decrease in cash and cash equivalents	**(389)**	(4,473)
Net decrease in cash and cash equivalents from discontinued operations	**-**	(1,609)
Net decrease in cash from continuing operations	**(389)**	(2,864)
Cash from continuing operations, beginning of year	**811**	3,606
Cash from continuing operations, end of period	**$ 422**	742

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Unaudited Statutory Balance Sheets
($ in thousands)

		Sep-30 2010	Sep-30 2009	Dec-31 2009
ASSETS				
Bonds	$	3,355,540	3,224,083	3,289,336
Common stocks		63,116	89,892	80,264
Affiliated mortgage loan		38,944	39,559	39,408
Other investments		190,958	162,798	176,983
Short-term investments		212,664	198,818	165,957
Total investments		**3,861,222**	**3,715,150**	**3,751,948**
Cash on hand and in banks*		(33,420)	(31,761)	(29,110)
Interest and dividends due and accrued		36,448	35,649	34,808
Premiums receivable		456,588	487,220	443,223
Reinsurance recoverable on paid losses and expenses		6,097	5,202	4,408
Federal income tax recoverable		14,679	369	1,608
Deferred tax recoverable		123,873	88,821	119,377
EDP equipment		1,331	2,361	2,134
Equities and deposits in pools and associations		7,530	8,297	4,886
Receivable for sold securities		23,698	5,150	19,655
Other assets		31,964	29,462	29,747
Total assets	$	**4,530,010**	**4,345,920**	**4,382,684**
LIABILITIES				
Reserve for losses	$	2,100,648	2,061,817	2,072,376
Reinsurance payable on paid loss and loss expense		1,191	924	1,011
Reserve for loss expenses		404,738	397,863	399,457
Unearned premiums		764,953	787,390	739,325
Reserve for commissions payable		41,525	43,666	49,237
Ceded balances payable		13,313	12,437	9,856
Premium and other taxes payable		23,129	21,372	22,283
Borrowed money		13,017	-	13,016
Reserve for dividends to policyholders		2,568	3,657	3,718
Reserves for unauthorized reinsurance		1,013	1,416	1,013
Payable for securities		45,918	24,962	-
Funds withheld on account of others		5,771	5,154	6,261
Accrued salaries and benefits		64,405	68,323	66,847
Other liabilities		13,500	13,434	16,329
Total liabilities		**3,495,689**	**3,442,415**	**3,400,729**
POLICYHOLDERS' SURPLUS				
Capital		28,325	28,325	28,325
Aggregate write-ins for special surplus funds		34,971	-	33,951
Paid in surplus		255,792	255,792	255,792
Unassigned surplus*		715,233	619,388	663,887
Total policyholders' surplus		1,034,321	903,505	981,955
Total liabilities and policyholders' surplus	$	**4,530,010**	**4,345,920**	**4,382,684**

* Prior year balances have been adjusted for $17K elimination entry

Selective Insurance Group, Inc.
Combined Insurance Company Subsidiaries
Unaudited Statutory Statements Of Income
($ in thousands)

	Three Months Ended September				Nine Months Ended September			
UNDERWRITING	**2010**		**2009**		**2010**		**2009**	
Net premiums written	**$ 365,129**		**376,718**		**1,086,744**		**1,117,764**	
Net premiums earned	**352,723**		**355,906**		**1,061,115**		**1,078,090**	
Net losses paid	219,404		177,750		588,974		572,020	
Change in reserve for losses	(16,787)		20,698		28,272		29,869	
Net losses incurred	**202,617**	**57.4%**	**198,448**	**55.8%**	**617,246**	**58.2%**	**601,889**	**55.8%**
Net loss expenses paid	40,101		38,686		114,703		116,193	
Change in reserve for loss expenses	608		4,925		5,281		15,067	
Net loss expenses incurred	**40,709**	**11.5%**	**43,611**	**12.3%**	**119,984**	**11.3%**	**131,260**	**12.2%**
Net underwriting expenses incurred	**114,210**	**31.4%**	**120,436**	**32.0%**	**346,042**	**31.8%**	**355,291**	**31.8%**
Total deductions	357,536		362,495		1,083,272		1,088,440	
Statutory underwriting loss	**(4,813)**		**(6,589)**		**(22,157)**		**(10,350)**	
Net loss from premium balances charged off	(1,239)		(1,078)		(4,085)		(3,446)	
Finance charges and other income	2,005		2,656		6,683		7,720	
Total other income	**766**	**-0.2%**	**1,578**	**-0.6%**	**2,598**	**-0.2%**	**4,274**	**-0.4%**
Policyholders' dividends incurred	(728)	**0.2%**	(991)	**0.3%**	(2,867)	**0.3%**	(2,268)	**0.2%**
Total underwriting loss	**(4,775)**	**100.3%**	**(6,002)**	**99.8%**	**(22,426)**	**101.4%**	**(8,344)**	**99.6%**
INVESTMENT								
Net investment income earned	31,750		35,481		98,659		95,980	
Net realized loss	(108)		(4,878)		(3,373)		(41,392)	
Total income before income tax	**26,867**		**24,601**		**72,860**		**46,244**	
Federal income tax expense	990		3,269		17,304		17,362	
Net income	**$ 25,877**		**21,332**		**55,556**		**28,882**	
Policyholders' Surplus								
Surplus, beginning of period	$ 1,008,534		873,365		981,955		884,431	
Net income	25,877		21,332		55,556		28,882	
Change in deferred tax	(8,831)		(919)		(772)		14,638	
Change in unrealized losses	6,771		10,450		13,692		(11,245)	
Dividends to stockholders	(12,003)		(12,515)		(36,008)		(24,518)	
Paid in surplus	-		-		-		20,000	
Change in cum. effect of acctg principle	-		2,540		-		2,540	
Change in non-admitted assets	15,279		9,252		19,114		(11,282)	
Change in additional admitted deferred tax	(1,446)		-		1,020		-	
Surplus adjustments	140		-		(236)		59	
Net change in surplus for period	**25,787**		**30,140**		**52,366**		**19,074**	
Surplus, end of period	**$ 1,034,321**		**903,505**		**1,034,321**		**903,505**	
Statutory underwriting loss:	$ (4,775)		(6,002)		(22,426)		(8,344)	
Adjustments under GAAP:								
Deferred policy acquisition costs	390		5,678		(11)		11,376	
Other, net	452		182		738		(105)	
GAAP underwriting (loss) gain	**$ (3,933)**		**(142)**		**(21,699)**		**2,927**	

Note: Some amounts or ratios may not foot due to rounding

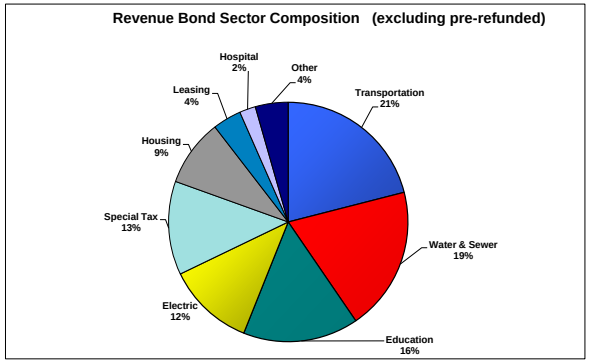
Selective Insurance Group, Inc. and Consolidated Subsidiaries
Alternative Investments (Insurance Companies' Portfolio)
as of September 30, 2010
(unaudited)

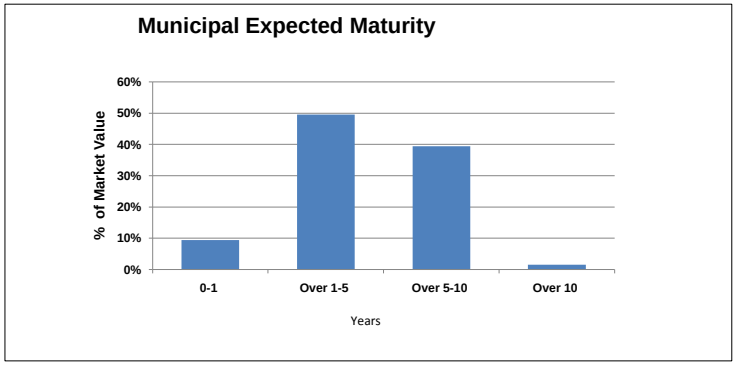
Fund	Inception Year	Original Commitment	Paid in Contributed Capital	Remaining Commitment	Total Distributions	Current Market Value	YTD Income	DPI[1] Ratio	TVPI[2] Ratio
Real Estate									
LEH RE II	2005	20,000,000	17,301,168	2,698,832	7,438,741	10,006,633	(283,777)	0.43	1.01
GS Whitehall 2007	2007	15,000,000	14,250,000	750,000	-	2,753,703	(1,397,182)	-	0.19
LEH RE III	2008	15,000,000	6,256,937	8,743,063	29,004	2,948,792	(374,733)	0.00	0.48
Total - Real Estate		**50,000,000**	**37,808,105**	**12,191,895**	**7,467,745**	**15,709,128**	**(2,055,692)**	**0.20**	**0.61**
Mezzanine Financing									
GS Mezz III	2003	10,000,000	4,362,674	5,637,326	7,596,979	3,722,882	197,330	1.74	2.59
LEH Euro Mezz	2004	9,000,000	9,000,000	-	12,355,149	1,740,876	(599,037)	1.37	1.57
GS Mezz 2006	2006	15,000,000	9,771,217	5,228,783	1,875,410	8,439,788	2,705,439	0.19	1.06
GS Mezz V	2007	25,000,000	9,747,331	15,252,669	3,104,720	9,505,955	702,225	0.32	1.29
Total - Mezz. Financing		**59,000,000**	**32,881,222**	**26,118,778**	**24,932,258**	**23,409,501**	**3,005,957**	**0.76**	**1.47**
Distressed Debt									
Varde LP	1997	4,000,000	4,000,000	-	12,146,213	-	16,619	3.04	3.04
Varde VIII	2006	10,000,000	10,000,000	-	-	11,719,123	(58,002)	-	1.17
GS Distressed Opp III	2007	15,000,000	10,389,138	4,610,862	512,894	8,660,524	1,236,658	0.05	0.88
Total - Distressed Debt		**29,000,000**	**24,389,138**	**4,610,862**	**12,659,107**	**20,379,647**	**1,195,274**	**0.52**	**1.35**
Private Equity									
Prospector	1997	5,000,000	5,000,000	-	13,965,078	411,566	(82,745)	2.79	2.88
Trilantic Capital Partners III	2004	10,000,000	9,076,175	923,825	5,943,965	7,097,044	48,705	0.65	1.44
NB Co-Invest	2006	15,000,000	11,190,692	3,809,308	3,685,797	8,548,788	776,035	0.33	1.09
GS PEP Asia	2007	7,000,000	2,300,371	4,699,629	25,606	2,013,111	51,342	0.01	0.89
Trilantic Capital Partners IV	2007	11,098,351	5,104,390	5,993,961	13,611	5,164,301	556,271	0.00	1.01
Total - Private Equity		**48,098,351**	**32,671,628**	**15,426,724**	**23,634,057**	**23,234,810**	**1,349,609**	**0.72**	**1.43**
Private Equity, Secondary Market									
NB SOF	2005	12,000,000	11,100,506	899,494	5,255,537	7,257,635	654,808	0.47	1.13
GS Vintage IV	2007	20,000,000	14,414,450	5,585,550	2,064,628	13,650,620	2,385,301	0.14	1.09
NB SOF II	2008	12,000,000	3,972,476	8,027,524	502,534	4,422,045	656,368	0.13	1.24
GS Vintage V	2008	10,000,000	3,328,337	6,671,663	179,522	3,274,561	228,037	0.05	1.04
Total - Pvt. Eq. Sec. Mkt.		**54,000,000**	**32,815,769**	**21,184,231**	**8,002,220**	**28,604,861**	**3,924,514**	**0.24**	**1.12**
Energy/Power Generation									
ArcLight I	2002	15,000,000	13,344,495	1,655,505	27,358,382	1,326,936	201,209	2.05	2.15
ArcLight II	2003	15,000,000	12,704,508	2,295,492	17,071,041	6,484,004	1,347,372	1.34	1.85
ArcLight III	2006	15,000,000	12,962,206	2,037,794	3,998,052	13,070,723	616,920	0.31	1.32
Quintana Energy	2006	10,000,000	7,840,628	2,159,372	392,978	6,630,326	217,049	0.05	0.90
ArcLight IV	2007	10,000,000	7,009,043	2,990,957	3,320,050	6,700,093	1,057,149	0.47	1.43
Total - Energy/Power Generation		**65,000,000**	**53,860,880**	**11,139,120**	**52,140,503**	**34,212,082**	**3,439,699**	**0.97**	**1.60**
Venture Capital									
Venture V	2001	10,000,000	8,600,000	1,400,000	1,999,996	6,341,205	262,870	0.23	0.97
Total - Venture Capital		**10,000,000**	**8,600,000**	**1,400,000**	**1,999,996**	**6,341,205**	**262,870**	**0.23**	**0.97**
TOTAL - ALTERNATIVE INVESTMENTS		**$ 315,098,351**	**223,026,741**	**92,071,610**	**130,835,886**	**151,891,234**	**11,122,231**	**0.59**	**1.27**

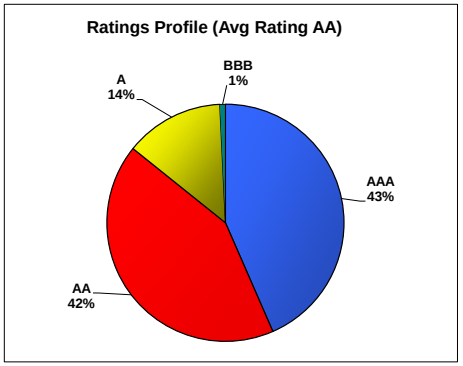
[1] *Distributed to paid in ratio*
[2] *Total value to paid in ratio*

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Municipal Bond Portfolio
State and Repayment Source Composition
September 30, 2010
($s in thousands)
(unaudited)

Exposure = 69% Held-to-Maturity; 31% Available-for-Sale





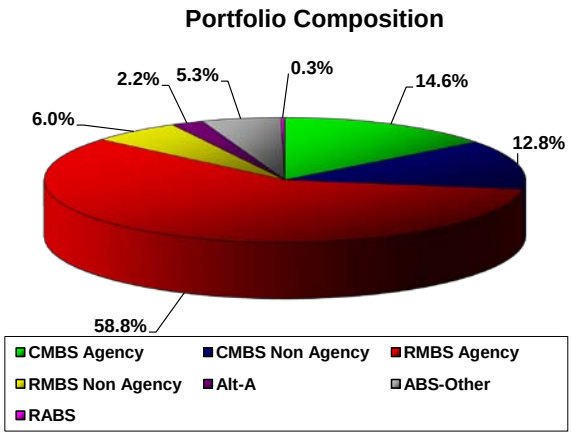


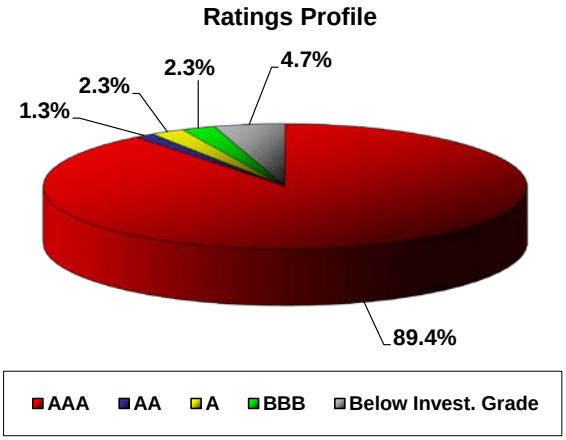
Repayment Source Composition by State %s
Market Values

State	Revenue	% of State	General Obligation (GO)-Local	% of State	General Obligation (GO)-State	% of State	Pre-refunded	% of State	TX -Permanent School Fund (PSF)	% of State	Total	% of Total
TX	65,549	**52%**	53,910	**43%**	6,141	**5%**	-	**0%**	-	**0%**	125,600	**8%**
TX-PSF	-	**0%**	-	**0%**	-	**0%**	-	**0%**	49,894	**100%**	49,894	**3%**
WA	47,407	**49%**	48,679	**51%**	-	**0%**	-	**0%**	-	**0%**	96,086	**6%**
FL	82,404	**99%**	-	**0%**	515	**1%**	-	**0%**	-	**0%**	82,919	**5%**
AZ	70,483	**91%**	7,071	**9%**	-	**0%**	-	**0%**	-	**0%**	77,554	**5%**
NC	28,930	**40%**	42,567	**60%**	-	**0%**	-	**0%**	-	**0%**	71,497	**5%**
NY	70,463	**100%**	-	**0%**	-	**0%**	-	**0%**	-	**0%**	70,463	**5%**
IL	46,612	**69%**	20,865	**31%**	-	**0%**	-	**0%**	-	**0%**	67,477	**4%**
OH	38,317	**64%**	14,069	**23%**	7,511	**13%**	-	**0%**	-	**0%**	59,897	**4%**
CO	23,331	**39%**	34,328	**58%**	1,712	**3%**	-	**0%**	-	**0%**	59,371	**4%**
MN	12,722	**23%**	5,317	**10%**	36,609	**67%**	-	**0%**	-	**0%**	54,648	**4%**
Pre-refunded	-	**0%**	-	**0%**	-	**0%**	74,670	**100%**	-	**0%**	74,670	**5%**
Other	439,400	**68%**	134,013	**21%**	75,444	**12%**	-	**0%**	-	**0%**	648,857	**42%**
Grand Total	**925,618**	**60%**	**360,819**	**23%**	**127,932**	**8%**	**74,670**	**5%**	**49,894**	**3%**	**1,538,933**	**100%**

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Structured Securities
September 30, 2010

($ in thousands)
(unaudited)

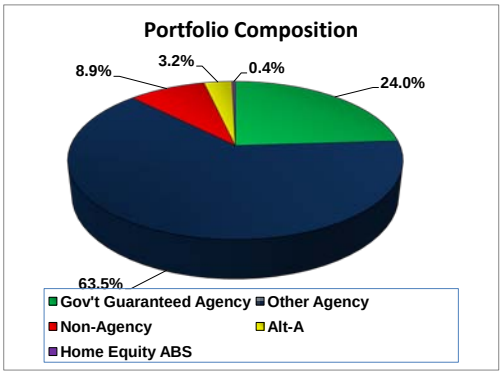


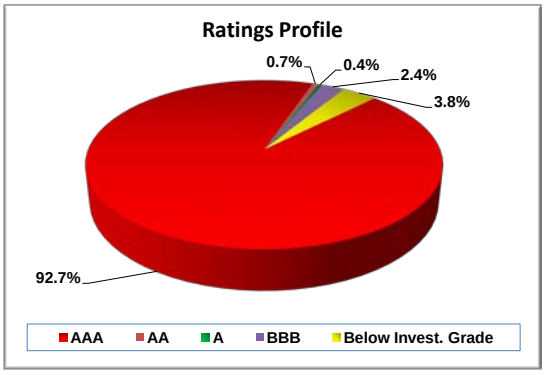


Market Value	606,373
Unrealized/Unrecognized Gain/(Losses)	17,567
Held to Maturity (HTM)	30%
Available for Sale (AFS)	70%
Structured Security Portfolio Average Rating	AA+
Structured Security % of Total Portfolio	17%

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Residential Mortgage Backed (RMBS) and Residential ABS (RABS) Securities
September 30, 2010

($ in thousands)
(unaudited)

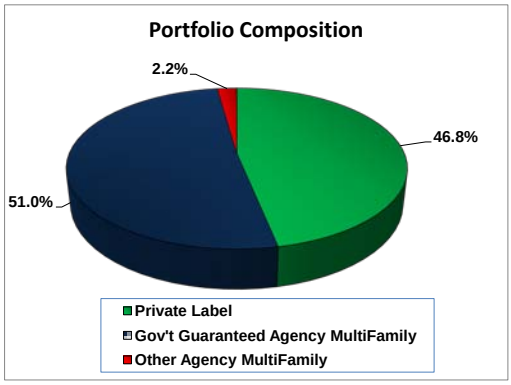


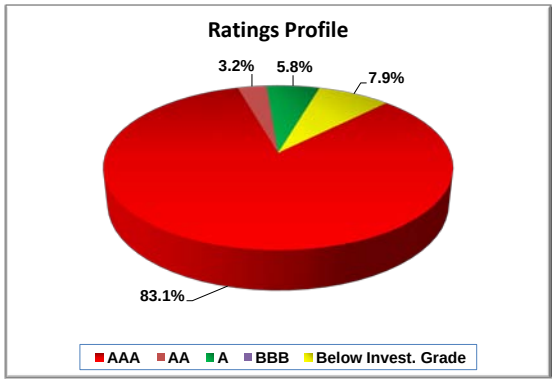


Market Value	407,574
Unrealized/Unrecognized Gain/(Losses)	12,993
Held to Maturity (HTM)	26%
Available for Sale (AFS)	74%
RMBS & RABS Portfolio Average Rating	AA+
RMBS & RABS % of Total Portfolio	11.5%

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Commercial Mortgage Backed (CMBS) Securities
September 30, 2010

($ in thousands)
(unaudited)





Market Value	166,451
Unrealized/Unrecognized Gain/(Losses)	3,758
Held to Maturity (HTM)	39%
Available for Sale (AFS)	61%
CMBS Portfolio Average Rating	AA
CMBS % of Total Portfolio	4.7%

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Credit Quality of Available-for-Sale Fixed Maturity Securities
September 30, 2010

($ in millions)

(unaudited)

	Fair Value	Unrealized Gain (Loss)	Credit Quality
AFS Fixed Maturity Portfolio:			
U.S. government obligations[1]	$ 330.6	11.9	AAA
Foreign government obligations	8.5	0.6	AA-
State and municipal obligations	480.3	33.6	AA+
Corporate securities	869.5	48.5	A+
Mortgage-backed securities ("MBS")	402.1	13.1	AA+
Asset-backed securities ("ABS")[2]	24.0	0.7	AA+
Total AFS fixed maturity portfolio	$ 2,115.0	108.4	AA
State and Municipal Obligations:			
Government obligations	$ 281.8	19.5	AA+
Special revenue obligations	198.5	14.1	A+
Total state and municipal obligations	$ 480.3	33.6	AA+
Corporate Securities:			
Financial	$ 261.7	11.5	A+
Industrials	74.1	6.2	A-
Utilities	49.7	2.4	A-
Consumer discretion	70.2	3.9	A
Consumer staples	87.2	5.0	A-
Health care	132.1	8.7	AA-
Materials	45.3	2.5	A-
Energy	39.9	2.4	A+
Information technology	47.8	2.0	A+
Telecommunications services	37.5	1.5	A
Other	24.0	2.4	A
Total corporate securities	$ 869.5	48.5	A+
Mortgage-backed securities:			
Gov't Guaranteed Agency CMBS	$ 74.7	5.7	AAA
Non-agency CMBS	27.3	(2.0)	A-
Gov't Guaranteed Agency RMBS	93.6	3.4	AAA
Other Agency RMBS	160.2	7.4	AAA
Non-agency RMBS	36.0	(1.1)	A-
Alternative-A ("Alt-A") RMBS	10.3	(0.3)	AAA
Total MBS	$ 402.1	13.1	AA+
Asset-backed securities:			
ABS	$ 23.1	0.9	AAA
Sub-prime ABS[2,3]	0.9	(0.2)	D
Total ABS	$ 24.0	0.7	AA+

[1] U.S. Government includes coporate securities fully guaranteed by the FDIC.

[2] We define sub-prime exposure as exposure to direct and indirect investments in non-agency residential mortgages with average FICO® scores below 650.

[3] Sub-prime ABS includes one security which is currently expected to defualt on its obligations according to the rating agencies.

Selective Insurance Group, Inc. and Consolidated Subsidiaries
Credit Quality of Held-to-Maturity Securities
September 30, 2010

($ in millions)

(unaudited)

	Fair Value	Carry Value	Unrecognized Holding Gain (Loss)	Unrealized Gain (Loss) in Accumulated Other Comprehensive Income	Total Unrealized / Unrecognized Gain (Loss)	Credit Quality
HTM Fixed Maturity Portfolio:						
U.S. government obligations[1]	$ 107.1	99.6	7.5	4.9	12.4	AAA
State and municipal obligations	1,058.6	1,020.5	38.1	25.0	63.1	AA-
Corporate securities	94.1	83.2	10.9	(4.0)	6.9	A-
Mortgage-backed securities ("MBS")	167.5	157.8	9.7	(4.5)	5.2	AA+
Asset-backed securities ("ABS")[2]	12.8	11.6	1.2	(2.6)	(1.4)	A
Total HTM fixed maturity portfolio	$ 1,440.1	1,372.7	67.4	18.8	86.2	AA-
State and Municipal Obligations:						
Government obligations	$ 286.1	277.2	8.9	11.2	20.1	AA-
Special revenue obligations	772.5	743.3	29.2	13.8	43.0	AA-
Total state and municipal obligations	$ 1,058.6	1,020.5	38.1	25.0	63.1	AA-
Corporate Securities:						
Financial	$ 29.4	25.4	4.0	(2.4)	1.6	BBB+
Industrials	23.1	19.3	3.8	(1.3)	2.5	BBB+
Utilities	17.6	16.2	1.4	(0.1)	1.3	A-
Consumer discretion	12.8	12.2	0.6	0.2	0.8	A+
Consumer staples	5.4	4.9	0.5	(0.1)	0.4	A
Materials	2.2	1.9	0.3	(0.1)	0.2	BBB-
Energy	3.6	3.3	0.3	(0.2)	0.1	BBB-
Total corporate securities	$ 94.1	83.2	10.9	(4.0)	6.9	A-
Mortgage-backed securities:						
Gov't guaranteed agency CMBS	$ 10.2	9.9	0.3	-	0.3	AAA
Other agency CMBS	3.6	3.6	-	-	-	AA
Non-agency CMBS	50.5	44.8	5.7	(6.0)	(0.3)	AA+
Gov't guaranteed agency RMBS	4.4	4.0	0.4	-	0.4	AA
Other agency RMBS	98.7	95.4	3.3	1.5	4.8	AA
Non-agency RMBS	0.1	0.1	-	-	-	AA
Total mortgage-backed securities	$ 167.5	157.8	9.7	(4.5)	5.2	AA+
Asset-backed securities:						
ABS	$ 9.9	9.1	0.8	(1.1)	(0.3)	A
Alt-A ABS	2.9	2.5	0.4	(1.5)	(1.1)	A+
Total ABS	$ 12.8	11.6	1.2	(2.6)	(1.4)	A

[1] U.S. Government includes coporate securities fully guaranteed by the FDIC.