

SELECTIVE INSURANCE GROUP INC
Form DEF 14A
March 24, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary proxy statement

Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

.. Definitive Additional Materials

.. Soliciting Material Pursuant to §240.14a-12

SELECTIVE INSURANCE GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Selective Insurance Group, Inc.

40 Wantage Avenue

Branchville, New Jersey 07890

(973) 948-3000

March 24, 2015

**NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS
AND PROXY STATEMENT**

Wednesday, April 29, 2015

The 2015 Annual Meeting of Stockholders of Selective Insurance Group, Inc. (“Selective”) will be held Wednesday, April 29, 2015, at 3:00 PM Eastern Time in the Auditorium at Selective’s principal offices, which are located at and have the mailing address of 40 Wantage Avenue, Branchville, New Jersey 07890.

At the meeting, we will ask stockholders to:

1. Elect 11 directors for a one-year term expiring in 2016;
2. Approve, on an advisory basis, the compensation of Selective’s named executive officers; and
3. Ratify the appointment of KPMG LLP as Selective’s independent registered public accounting firm for the fiscal year ending December 31, 2015.

We plan a brief business meeting focused on these items and we will attend to any other business properly brought before the meeting and at any adjournments or postponements of the meeting. **The Board of Directors recommends that: (i) you vote “FOR” all of the nominees to the Board of Directors; and (ii) you vote “FOR” Proposals 2 and 3.** These proposals are further described in the Proxy Statement.

Also enclosed is Selective's 2014 Annual Report to Stockholders. At the meeting, we will be making a brief presentation on operations and will offer time for your comments and questions.

Selective stockholders of record at the close of business on Friday, March 6, 2015 are entitled to notice of, and to vote at, the meeting and any adjournment or postponement of it. A quorum is a majority of outstanding shares. **YOUR VOTE IS IMPORTANT.** WE URGE YOU TO VOTE YOUR SHARES BY: (1) CALLING THE TOLL-FREE TELEPHONE NUMBER LISTED ON THE PROXY CARD; (2) ACCESSING THE INTERNET WEBSITE LISTED ON THE PROXY CARD; OR (3) COMPLETING, DATING, AND SIGNING THE PROXY CARD AND RETURNING IT IN THE ENCLOSED ENVELOPE. YOUR PROXY MAY BE REVOKED AT ANY TIME, AS DESCRIBED IN THE PROXY STATEMENT, PRIOR TO THE TIME IT IS VOTED AT THE 2015 ANNUAL MEETING. IF YOU HOLD SHARES THROUGH A BROKER OR OTHER CUSTODIAN, PLEASE SEE THE VOTING INSTRUCTIONS PROVIDED TO YOU BY THAT BROKER OR CUSTODIAN.

Very truly yours,

Gregory E. Murphy
Chairman of the Board and Chief Executive Officer

By Order of the Board of Directors:

Robyn P. Turner
Corporate Secretary

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PROXY STATEMENT

FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD WEDNESDAY, APRIL 29, 2015

GENERAL INFORMATION ABOUT SELECTIVE'S ANNUAL MEETING

WHEN AND WHERE IS THE ANNUAL MEETING?

The 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Selective Insurance Group, Inc. ("Selective" or "we") will be held on Wednesday, April 29, 2015, at 3:00 PM Eastern Time in the Auditorium at Selective's principal offices at 40 Wantage Avenue, Branchville, New Jersey 07890. Directions are on the back of this Proxy Statement. Our telephone number is (973) 948-3000.

WHEN WAS THIS PROXY STATEMENT MAILED?

This Proxy Statement and proxy card are being mailed to Selective stockholders on or about March 24, 2015.

WHO IS ENTITLED TO VOTE AT THE ANNUAL MEETING?

Anyone who owned Selective common stock as of the close of business on March 6, 2015 is entitled to one vote per share owned. There were 56,927,216 shares outstanding at the close of business on that date.

WHO IS SOLICITING MY PROXY TO VOTE MY SHARES AND WHEN?

Selective's Board of Directors ("Board of Directors" or the "Board") is soliciting your proxy, meaning your authorization for our named proxies, John C. Burville and William M. Rue, to vote your shares.

Unless revoked by you, your proxy will be effective for the Annual Meeting and for any adjournments or postponements of that meeting.

WHAT IS THE COST OF SOLICITING PROXIES AND WHO IS PAYING FOR THE COST?

Selective is bearing the entire cost of soliciting proxies. Proxies will be solicited principally through the mail, but they also may be solicited personally or in writing, by telephone, e-mail, facsimile, or otherwise by Selective directors or officers, or employees of a Selective subsidiary, who will receive no additional compensation. Selective has engaged Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies and the distribution of proxy materials. Georgeson Inc. will provide such services for an estimated fee of approximately \$8,000, plus expenses. Selective will reimburse banks, brokerage firms, and other custodians, nominees, and fiduciaries for reasonable expenses incurred by them in sending proxy materials to their customers or principals who are the beneficial owners of shares of Selective common stock.

WHAT ARE THE REQUIREMENTS FOR BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING?

For business to be conducted at the Annual Meeting, owners of 28,463,609 shares of Selective common stock (a majority of the issued and outstanding shares entitled to vote) constituting a quorum, must be in attendance or represented by proxy. Our common stock is our only class of voting securities.

PROPOSALS FOR STOCKHOLDER VOTE AND APPROVAL REQUIREMENTS

Management is presenting three proposals for a stockholder vote.

PROPOSAL 1. ELECTION OF DIRECTORS

THE BOARD IS SUBJECT TO ANNUAL ELECTION BY THE STOCKHOLDERS. THE BOARD RECOMMENDS THAT YOU VOTE “**FOR**” THE FOLLOWING ELEVEN NOMINATED DIRECTORS FOR A TERM OF ONE YEAR:

§ PAUL D. BAUER	§ RONALD L. O’KELLEY
§ ANNABELLE G. BEXIGA	§ WILLIAM M. RUE
§ JOHN C. BURVILLE	§ JOHN S. SCHEID
§ MICHAEL J. MORRISSEY	§ J. BRIAN THEBAULT
§ GREGORY E. MURPHY	§ PHILIP H. URBAN
§ CYNTHIA S. NICHOLSON	

You can find information about these nominees, Selective’s Board of Directors, its committees, and other related matters in the section entitled, “Information about Proposal 1” of this Proxy Statement.

New Jersey law and Selective’s By-Laws govern the vote on Proposal 1, on which you may:

§ Vote “**FOR**” all of the nominees;

§ Vote “**AGAINST**” all of the nominees;

§ Vote “**FOR**” or “**AGAINST**” specific nominees; or

§ Abstain from voting from all or specific nominees.

Under our By-Laws, directors in uncontested elections must be elected by a majority of votes cast, assuming a quorum is present. A majority means that the number of votes cast “for” a director nominee must exceed the number of votes cast “against” the director nominee. In an uncontested election, any director nominee who does not receive more “for” than “against” votes is required to tender his or her resignation from the Board of Directors within five days of certified election results. If that happens: (i) the Corporate Governance and Nominating Committee must recommend to the Board of Directors whether it should accept the resignation; and (ii) the Board of Directors must decide whether to accept the resignation and disclose its decision-making process.

Stockholders may not cumulate their votes. Abstentions and broker non-votes (shares held by a broker, bank, or other nominee that does not have authority, either express or discretionary, to vote on a particular matter) will not be taken into account in determining the outcome of the vote consistent with New Jersey law and the proxy rules of the United States Securities and Exchange Commission (“SEC”).

PROPOSAL 2. APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

THE BOARD RECOMMENDS THAT YOU VOTE “**FOR**” THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS DISCLOSED IN THIS PROXY STATEMENT.

You can find information about the compensation of our named executive officers in the section entitled, “Executive Compensation”, and about Proposal 2 in the section entitled, “Information about Proposal 2” of this Proxy Statement.

New Jersey law and Selective’s By-Laws govern the vote on Proposal 2, on which you may:

§ Vote “**FOR**” Proposal 2;

§ Vote “**AGAINST**” Proposal 2; or

§ Abstain from voting.

Assuming a quorum is present, Proposal 2 will pass if approved by an affirmative vote of a majority of the votes cast at the Annual Meeting. Abstentions and broker non-votes will not be taken into account in determining whether the proposal has received the requisite number of affirmative votes consistent with New Jersey law and the SEC’s proxy rules.

PROPOSAL 3. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD RECOMMENDS THAT YOU VOTE “**FOR**” THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

You can find information about Selective’s relationship with KPMG LLP in the section entitled “Information about Proposal 3” of this Proxy Statement.

New Jersey law and Selective's By-Laws govern the vote on Proposal 3, on which you may:

§ Vote "**FOR**" Proposal 3;

§ Vote "**AGAINST**" Proposal 3; or

§ Abstain from voting.

Assuming a quorum is present, Proposal 3 will pass if it receives an affirmative vote of a majority of the votes cast at the Annual Meeting. Abstentions will not be counted as votes cast and will not be taken into account in determining whether the proposal has received the requisite number of affirmative votes consistent with New Jersey law and the SEC's proxy rules.

OTHER MATTERS TO COME BEFORE THE ANNUAL MEETING

The Board of Directors is not aware of any other business to be presented for a vote at the Annual Meeting. If any other matters are properly presented for a vote, the people named as proxies will have discretionary authority to vote on such matters according to their best judgment to the extent permitted by applicable law and NASDAQ Stock Market ("NASDAQ") and SEC rules and regulations.

The Chairman of the Annual Meeting may refuse to allow presentation of a proposal or nominee for the Board of Directors if the proposal or nominee is not properly submitted. The requirements for submitting proposals and nominations for this year's Annual Meeting are set forth in Selective's By-Laws.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Proxy Statement contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "may," "estimate," "intend," and other similar words. These forward-looking statements are based on our beliefs, assumptions, and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. Factors that may cause actual results to differ materially from those contemplated by the statements in this Proxy Statement can be found in our most recent Annual Report on Form 10-K filed with the SEC and in the Quarterly Reports on Form 10-Q we have filed or will file with the SEC hereafter under the headings "Risk Factors" and "Forward-Looking Statements."

You are cautioned not to place undue reliance on any of our forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements, except as required by law. This cautionary statement is applicable to all forward-looking statements contained in this document.

VOTING AND PROXY PROCEDURE

HOW DO I VOTE?

You can vote four ways:

1. BY MAIL (MUST BE RECEIVED BEFORE ANNUAL MEETING):

§ Mark your voting instructions on the proxy card;

§ Sign your name exactly as it appears on the proxy card;

§ Date the proxy card; and

§ Mail the proxy card to us in the provided postage-paid envelope.

Timing is important, so please mail your proxy card promptly. We must receive it before the beginning of the Annual Meeting. If you do not give voting instructions on your signed and mailed proxy card, the named proxies will vote your shares FOR each of the director nominees and FOR Proposals 2 and 3. If any other matters requiring a vote arise during the meeting, the named proxies will exercise their discretion in accordance with their best judgment to the extent permitted by applicable law and NASDAQ and SEC rules and regulations.

2. BY TELEPHONE (MAY BE DONE AT ANY TIME UNTIL TUESDAY, APRIL 28, 2015 AT 12:00 PM CENTRAL TIME):

§ Call the toll-free number on your proxy card; and

§ Follow the instructions on your proxy card and the voice prompts.

§ IF YOU VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.

3. BY INTERNET (MAY BE DONE AT ANY TIME UNTIL TUESDAY, APRIL 28, 2015 AT 12:00 PM CENTRAL TIME):

§ Go to the website listed on your proxy card; and

§ Follow the instructions on your proxy card and the website.

§ IF YOU VOTE BY INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.

4. IN PERSON (MAY ONLY BE DONE ON WEDNESDAY, APRIL 29, 2015, AT THE ANNUAL MEETING):

§ Attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote.

HOW DO I REVOKE MY PROXY OR CHANGE MY VOTING INSTRUCTIONS?

You may revoke your proxy at any time before the proxy is exercised at the Annual Meeting:

§ By writing to Selective's Corporate Secretary, Robyn P. Turner, at 40 Wantage Avenue, Branchville, New Jersey 07890;

By submitting a new vote by telephone, via the Internet, or by returning a properly executed new proxy card bearing a later date. Any subsequent timely and valid vote by any voting method will change your prior vote. For example, if you voted by telephone, a subsequent Internet vote will change your vote. The vote counted will be the last vote received before 12:00 PM Central Time on Tuesday, April 28, 2015 – unless you change your vote by voting in person at the Annual Meeting; and

§ Voting in person at the Annual Meeting.

HOW WILL PROXIES BE VOTED IF I GIVE MY AUTHORIZATION?

If you: (i) properly execute your proxy card and return it to Selective; or (ii) submit your proxy by telephone or via the Internet, and do not subsequently revoke your proxy, your shares of common stock will be voted at the Annual Meeting in accordance with your instructions.

In the absence of voting instructions, the named proxies will vote your shares FOR each of the director nominees and FOR Proposals 2 and 3. If other matters properly come before the Annual Meeting, the named proxies will vote on such matters in accordance with their best judgment to the extent permitted by applicable law and NASDAQ and SEC rules and regulations.

WHAT IF MY SHARES ARE NOT REGISTERED IN MY NAME?

If you are a beneficial owner of our stock, meaning that the Selective stock you own is held in the name of a bank, broker, or other nominee (commonly referred to as holding shares in “street name”), you should have received access to these proxy materials from your bank, broker, or other nominee by mail or e-mail with information on how to submit your voting instructions. Unless you provide voting instructions to your bank, broker, or other nominee, your shares will not be voted on the election of directors (Proposal 1) and the advisory (non-binding) vote on the compensation of Selective’s named executive officers (Proposal 2). In contrast, we believe brokers can vote uninstructed shares on the ratification of the appointment of our independent registered public accounting firm (Proposal 3). Broker non-votes count toward a quorum, but otherwise do not affect the outcome of any proposal.

HOW WILL VOTES BE COUNTED?

The inspectors of election appointed for the Annual Meeting by the Board of Directors will separately tabulate affirmative and negative votes, abstentions, and broker non-votes. Shares represented by proxies that reflect abstentions and broker non-votes are counted for determining whether there is a quorum. We believe brokers may exercise their discretionary voting power for Proposal 3.

For Proposal 1, abstentions and broker non-votes will not be considered in determining whether director nominees have received more “for” votes than “against” votes. Approval of Proposals 2 and 3 requires the affirmative vote of a majority of votes cast at the Annual Meeting. Abstentions and broker non-votes have no effect on Proposal 2, and abstentions have no effect on Proposal 3.

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON WEDNESDAY, APRIL 29, 2015

This Proxy Statement and our 2015 Annual Report to Stockholders are available on Selective's Internet website at www.selective.com.

INFORMATION ABOUT PROPOSAL 1

Election of Directors

Under our By-Laws, directors in uncontested elections must be elected by a majority of votes cast. A majority means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that nominee. For more information on our majority voting policy, please see the section entitled "Corporate Governance – Majority Voting for Directors in Uncontested Elections" of this Proxy Statement.

All directors stand for election for a one-year term. In all cases, each director will hold office until a successor has been elected and qualified, or until the director's earlier resignation or removal.

Selective's Board of Directors currently has 12 members with A. David Brown retiring and not standing for election. Pursuant to Selective's Amended and Restated Certificate of Incorporation, and its By-Laws, as amended, Selective may have a minimum of seven and a maximum of 20 directors. By majority vote, the Board of Directors may set the number of directors within this range at any time.

Process for Review and Nomination of Director Candidates

The Corporate Governance and Nominating Committee is responsible for the review and nomination of candidates to the Board of Directors.¹ The Corporate Governance and Nominating Committee reviews all director candidates for possible nomination and election to the Board and seeks such candidates from any source, including:

§

Directors and management;

§ Third party search firms that the Corporate Governance and Nominating Committee may engage from time to time for a fee to identify and interview candidates; and

§ Stockholders.

Any stockholder proposing a Board candidate(s) must submit in writing all information required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) in a solicitation of proxies for the election of a director to the Chairperson of the Corporate Governance and Nominating Committee, c/o Corporate Secretary, 40 Wantage Avenue, Branchville, New Jersey 07890.

Regardless of source, the Corporate Governance and Nominating Committee evaluates all candidates based on, among other things, the following standards:

§ Personal and professional ethics, integrity, character, and values;

§ Professional and personal experience;

§ Business judgment;

§ Skills and expertise;

§ Industry knowledge;

§ Independence and avoidance or limitation of potential or actual conflicts of interest;

¹ See the section entitled, “Board Meetings and Committees” for further discussion of the Corporate Governance and Nominating Committee’s other responsibilities.

§ Dedication and commitment to representing the long-term interests of Selective and its stockholders;

§ Willingness to dedicate and devote sufficient time to Board duties and activities;

§ Other appropriate and relevant factors, including the qualifications and skills of the current members of the Board;
§ and

§ Diversity.

Although Selective has no formal diversity policy, our Corporate Governance Guidelines provide that the composition of the Board should encompass a broad range of skills, expertise, industry knowledge, and diversity of opinion. Accordingly, diversity of thought, experience, gender, race, and ethnic background are greatly considered in the director evaluation process.

Director Nominees

No family relationships exist between any of Selective's current directors, executive officers, and persons nominated by Selective to become a director.

The Board has ratified the Corporate Governance and Nominating Committee's nomination of the 11 directors listed below to stand for election at the 2015 Annual Meeting for terms expiring at the 2016 Annual Meeting or until a successor has been duly elected and qualified.

All 11 nominees have consented to being named in this Proxy Statement and to serving if elected. The Board does not know of any reason why any of these nominees would decline or be unable to serve if elected. If a nominee becomes unavailable or unable to serve before the Annual Meeting, the Board can either reduce its size or designate a substitute nominee. If the Board designates a substitute nominee, proxies that would have been cast for the original nominee will be cast for the substitute nominee unless instructions are given to the contrary.

NOMINEES OF THE BOARD OF DIRECTORS

Paul D. Bauer, 71 § Retired financial executive.

Independent Director, 1998 § Executive Vice President and Chief Financial Officer of Tops Markets, Inc., 1970 to 1993.

Lead Independent Director,
since April 2013

- § Director, Rosina Holdings Inc., since 2002.
- § Director, Fluent Energy Corporation, 2012 to July 2014.
- § Director, Catholic Health System of Western New York, 1998 to 2008.
- § Co-founder and President, The Bison Scholarship Fund (formerly named the Buffalo Inner-City Scholarship Opportunity Network), since 1995.
- § Trustee, Holy Angels Academy, 2005 to 2011.
- § Boston College (B.S.).

Discussion of individual
experience, qualifications,
attributes, and skills.

Mr. Bauer is the former Chief Financial Officer of a publicly-traded company and served as the Chairman of Selective's Audit Committee for 8 years. Mr. Bauer is very active in the Buffalo community and knowledgeable of Upstate New York, which is an important market for Selective.

NOMINEES OF THE BOARD OF DIRECTORS

- § Chief Operating Officer, TIAA Asset Management, since June 2014.
- § Executive Vice President and Chief Information Officer, TIAA-CREF, since 2013.
- § Senior Managing Director and Chief Information Officer, TIAA-CREF, 2010 to 2013.
- § Chief Information Officer, Bain Capital, LLC, 2008 to 2010.

Annabelle G. Bexiga, 53

- § Elysian Coaching & Consulting, President and Founder, 2007.

Independent Director,
2012

- § Managing Director and Chief Information Officer, JPMorgan Invest, LLC, 2003 to 2006.
- § Member, CIO’s Executive Council, Executive Women in Information Technology.
- § Member, CIO Strategy Exchange.
- § Seton Hall University (B.Sc.).

Discussion of individual experience, qualifications, attributes, and skills.

- § International Executive MBA Program, Rutgers University.
- Ms. Bexiga has extensive financial services and information technology experience. She was named by Insurance and Technology Magazine as one of the 2011 Elite 8 CIOs. Ms. Bexiga is focused on innovative means of using social media to change retail behavior. She is also skilled in leading teams in multi-cultural environments and was certified as an executive coach. We believe that Ms. Bexiga’s expertise in information technology and its use by retail financial services companies is extremely important to the Board in setting Selective’s long-term strategies, particularly related to customer and agency experience matters.

- § Insurance Consultant to the Bermuda Government, 2003 to 2007.
- § Bermuda Insurance Advisory Committee, 1985 to 2003.

John C. Burville, 67

- § Chief Actuary and Senior Rating Agency Manager of ACE Limited, 1992 to 2003.

Independent Director,
2006

- § Leicester University in the United Kingdom (B.Sc. and Ph.D.).
- § Fellow of the Institute of Actuaries.

Discussion of individual experience, qualifications, attributes, and skills.

- § Member of the American Academy of Actuaries.
- Mr. Burville has extensive insurance industry knowledge and served as chief actuary of one of the world’s largest property and casualty insurance companies. He is extremely knowledgeable about reserving and numerous actuarial techniques to calculate ultimate reserve levels. Board members look to Mr. Burville for guidance on actuarial subject matters and his general knowledge of the insurance business.

Michael J. Morrissey, 67

- § President & Chief Executive Officer, International Insurance Society, Inc., since 2009.

Independent Director,
2008

- § Chairman and Chief Executive Officer, Firemark Investments, 1983 to 2009.
- § Director, CGA Group, Ltd., 1998 to 2009.

§ Member, Board of Overseers, St. John's University School of Risk Management, Insurance and Actuarial Science, since 2012.

§ Chartered Financial Analyst.

§ Member, Association of Insurance and Financial Analysts.

§ Member, New York Society of Securities Analysts.

§ Boston College (B.A.).

§ Dartmouth College (M.B.A.).

§ Harvard University Graduate School of Business Administration (Corporate Financial Management Program).

Discussion of individual experience, qualifications, attributes, and skills.

Mr. Morrissey has 42 years of insurance industry experience. He is the head of an international insurance research organization, previously managed an investment firm specializing in insurance companies, and was president and chief investment officer of an insurance company. Mr. Morrissey is very knowledgeable about the insurance industry, the investment community, investor relations, and the analysis of strategic transactions.

NOMINEES OF THE BOARD OF DIRECTORS

- § Chairman and Chief Executive Officer of Selective, since 2013.
- § Chairman, President and Chief Executive Officer of Selective, 2000 to 2013.
- § President and Chief Executive Officer of Selective, 1999 to 2000.
- § President and Chief Operating Officer of Selective, 1997 to 1999.
- § Other senior executive, management, and operational positions at Selective, 1980 to 1997.

Gregory E. Murphy, 59

Employee Director,
1997

- § Certified Public Accountant (New Jersey) (Inactive).
- § Director, Insurance Information Institute, since 2000; Chairman since January 2015.
- § Director, American Insurance Association, since November 2014.
- § Director, Property Casualty Insurers Association of America, 2008 to June 2014.
- § Member, Board of Overseers, St. John’s University School of Risk Management, Insurance and Actuarial Science, since February 2015.
- § Trustee, The Institutes, 2001 to 2013.
- § Trustee, Newton Medical Center Foundation, 1999 to September 2014.
- § Boston College (B.S.).
- § Harvard University (Advanced Management Program).
- § M.I.T. Sloan School of Management.

Discussion of individual experience, qualifications, attributes, and skills.

Mr. Murphy is the Director most knowledgeable about our operations, having served as Chief Executive Officer for 15 years and having worked at Selective for 35 years. We consider his service on the Board extremely valuable to informed business and strategic decision-making. He has broad experience and knowledge in the areas of reinsurance, insurance pricing, and industry fundamentals. Mr. Murphy has extensive contacts in the insurance industry and serves as a director or trustee of several important industry groups. He is a Certified Public Accountant, served as our Chief Financial Officer prior to assuming other leadership positions, and is very knowledgeable on financial and investment matters.

Cynthia S. Nicholson, 50

Independent Director, 2009

- § Chief Marketing Officer, Softcard®, since 2013.
- § Executive Vice President and Chief Marketing Officer, Equinox Holdings, Inc., 2010 to 2012.
- § Co-Founder, Pup To Go, LLC, since 2009.

§ Advisor, GamesThatGive, Inc., 2010 to 2011; Principal Strategist and Director, 2009 to 2010.

§ Senior Vice President and Chief Marketing Officer of Pepsi-Cola North America, a division of PepsiCo, Inc., 2005 to 2008.

§ Director, Association of National Advertisers, 2006 to 2008.

§ University of Illinois (B.S.).

§ Kelley School of Business, Indiana University (M.B.A.).

Discussion of individual experience, qualifications, attributes, and skills.

Ms. Nicholson is a marketing expert with 26 years of marketing experience in various industries. She served as Chief Marketing Officer at Equinox Holdings, Inc. and Pepsi-Cola North America. Ms. Nicholson has extensive experience with brand building, advertising, media buying, promotions, digital and social media, and direct marketing. We believe her marketing expertise is invaluable as we explore branding and marketing efforts to differentiate ourselves with distribution partners and address competitive issues in the property and casualty insurance industry.

NOMINEES OF THE BOARD OF DIRECTORS

§ Chairman and Chief Executive Officer, Atlantic Coast Venture Investments Inc., 2003 to 2008 and 2009 to present; Director, 2003 to 2009.

§ President and Chief Executive Officer, U.S. Shipping Partners, L.P., 2008 to 2009, Director 2004 to 2008. In April 2009, U.S. Shipping Partners, L.P. filed for protection under Chapter 11 of the U.S. Bankruptcy Code and emerged reorganized as U.S. Shipping Corp in November 2009.

Ronald L. O’Kelley, 70

Independent Director,
2005

§ Executive Vice President, Chief Financial Officer and Treasurer, State Street Corporation, 1995 to 2002.

§ Advisory Director, Donald H. Jones Center for Entrepreneurship, Tepper School of Business, Carnegie Mellon University, since 2003.

§ Duke University (A.B.).

§ Carnegie Mellon University (M.B.A.).

Discussion of individual
experience,
qualifications, attributes,
and skills.

Mr. O’Kelley is the former Chief Financial Officer of a large multi-national financial services organization and the Audit Committee’s designated financial expert. He has extensive experience in corporate restructurings for both manufacturing organizations and financial institutions. Mr. O’Kelley has a demonstrated track record for implementing corporate strategy through significant mergers and acquisitions, divestitures, and debt and equity fund raisings. He has significant experience as a director of other public companies.

William M. Rue, 67

Non-Independent
Director,

1977

§ Chairman, Rue Insurance, an insurance agency, since 2013; President and former Executive Vice President, Rue Insurance, 1969 to 2013.

§ President, Rue Financial Services, Inc., 2002 to 2012.

§ Director, 1st Constitution Bank, since 1989, Secretary of the Board, since 2005.

§ Director, 1st Constitution Bancorp, since 1999, Secretary of the Board, since 2005.

§ Director, Robert Wood Johnson University Hospital at Hamilton, since 1994.

§ Director, Robert Wood Johnson University Hospital Foundation, 1999 to 2012.

§ Director, Robert Wood Johnson Health Care Corp., since 2011.

§ Trustee, Rider University, 1993 to 2012, and since 2013.

§ Member, Independent Agents & Brokers Association.

§ Member, Society of CPCU.

§ Member, Professional Insurance Agents Association.

§ Member, Management Committee, PL Services, LLC.

§ President, The Rue Foundation, since 2004.

§ Rider College (B.S.).

Discussion of individual experience, qualifications, attributes, and skills.

Mr. Rue has been one of our independent agents for 46 years, and was the chief executive of his agency for 29 years. Because we principally distribute our products through independent agents, we believe it is extremely valuable for informed business and strategic decision-making for the Board to have input from, and understand the views of, an independent agent who has strong knowledge of our operations and the competitive landscape.

