

SELECTIVE INSURANCE GROUP INC
Form 10-Q
October 27, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2016
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-33067

SELECTIVE INSURANCE GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

New Jersey 22-2168890
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

40 Wantage Avenue
Branchville, New Jersey 07890
(Address of Principal Executive Offices) (Zip Code)

(973) 948-3000
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of October 14, 2016, there were 57,856,321 shares of common stock, par value \$2.00 per share, outstanding.

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ITEM 1. FINANCIAL STATEMENTS.SELECTIVE INSURANCE GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	Unaudited	
	September 30,	December 31,
(\$ in thousands, except share amounts)	2016	2015
ASSETS		
Investments:		
Fixed income securities, held-to-maturity – at carrying value (fair value: \$136,094 – 2016; \$209,544 – 2015)	\$ 130,472	201,354
Fixed income securities, available-for-sale – at fair value (amortized cost: \$4,682,267 – 2016; \$4,352,514 – 2015)	4,832,532	4,408,203
Equity securities, available-for-sale – at fair value (cost: \$122,981 – 2016; \$193,816 – 2015)	147,304	207,051
Short-term investments (at cost which approximates fair value)	169,604	194,819
Other investments	88,512	77,842
Total investments (Note 4)	5,368,424	5,089,269
Cash	1,493	898
Interest and dividends due or accrued	39,901	38,501
Premiums receivable, net of allowance for uncollectible accounts of: \$5,907 – 2016; \$4,422 – 2015	711,589	615,164
Reinsurance recoverables, net of allowance for uncollectible accounts of: \$5,500 – 2016; \$5,700 – 2015	640,012	561,968
Prepaid reinsurance premiums	151,981	140,889
Deferred federal income tax	41,656	92,696
Property and equipment – at cost, net of accumulated depreciation and amortization of: \$198,171 – 2016; \$188,548 – 2015	69,812	65,701
Deferred policy acquisition costs	235,934	213,159
Goodwill	7,849	7,849
Other assets	94,582	78,339
Total assets	\$ 7,363,233	6,904,433
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Reserve for loss and loss expenses	\$ 3,686,586	3,517,728
Unearned premiums	1,306,255	1,169,710
Short-term debt	45,000	60,000
Long-term debt	378,551	328,192
Current federal income tax	6,509	7,442
Accrued salaries and benefits	103,583	167,336
Other liabilities	261,845	255,984
Total liabilities	\$ 5,788,329	5,506,392
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: 101,505,201 – 2016; 100,861,372 – 2015