

SELECTIVE INSURANCE GROUP INC
Form 10-Q
April 24, 2014
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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: March 31, 2014
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 (I.R.S. Employer Identification No.)
Organization)

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

(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 March 31, 2014, there were 56,219,199 shares of common stock, par value \$2.00 per share, outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SELECTIVE INSURANCE GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	Unaudited	
	March 31,	December 31,
(\$ in thousands, except share amounts)	2014	2013
ASSETS		
Investments:		
Fixed income securities, held-to-maturity – at carrying value (fair value: \$403,536 – 2014; \$416,981 – 2013)	\$382,056	392,879
Fixed income securities, available-for-sale – at fair value (amortized cost: \$3,748,456 – 2014; \$3,675,977 – 2013)	3,815,853	3,715,536
Equity securities, available-for-sale – at fair value (cost: \$162,370 – 2014; \$155,350 – 2013)	197,687	192,771
Short-term investments (at cost which approximates fair value)	137,733	174,251
Other investments	106,720	107,875
Total investments (Note 5)	4,640,049	4,583,312
Cash	245	193
Interest and dividends due or accrued	36,967	37,382
Premiums receivable, net of allowance for uncollectible accounts of: \$3,771 – 2014; \$4,442 – 2013	553,912	524,870
Reinsurance recoverables, net	574,621	550,897
Prepaid reinsurance premiums	141,603	143,000
Current federal income tax	—	512
Deferred federal income tax	113,061	122,613
Property and equipment – at cost, net of accumulated depreciation and amortization of: \$181,959 – 2014; \$179,192 – 2013	53,725	50,834
Deferred policy acquisition costs	177,678	172,981
Goodwill	7,849	7,849
Other assets	70,526	75,727
Total assets	\$6,370,236	6,270,170
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Reserve for loss and loss expenses	\$3,432,432	3,349,770
Unearned premiums	1,078,012	1,059,155
Notes payable	392,420	392,414
Current federal income tax	3,249	—
Accrued salaries and benefits	89,558	111,427
Other liabilities	189,034	203,476
Total liabilities	\$5,184,705	5,116,242
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:		