

SELECTIVE INSURANCE GROUP INC
Form 10-Q
April 30, 2015
Table of Contents

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, 2015
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 April 15, 2015, there were 56,948,239 shares of common stock, par value \$2.00 per share, outstanding.

Table of Contents

SELECTIVE INSURANCE GROUP, INC.
Table of Contents

Page No.

PART I. FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets as of March 31, 2015 (Unaudited) and December 31, 2014</u>	<u>1</u>
	<u>Unaudited Consolidated Statements of Income for the Quarter Ended March 31, 2015 and 2014</u>	<u>2</u>
	<u>Unaudited Consolidated Statements of Comprehensive Income for the Quarter Ended March 31, 2015 and 2014</u>	<u>3</u>
	<u>Unaudited Consolidated Statements of Stockholders' Equity for the Quarter Ended March 31, 2015 and 2014</u>	<u>4</u>
	<u>Unaudited Consolidated Statements of Cash Flow for the Quarter Ended March 31, 2015 and 2014</u>	<u>5</u>
	<u>Notes to Unaudited Interim Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	
	<u>Forward-Looking Statements</u>	<u>25</u>
	<u>Introduction</u>	<u>25</u>
	<u>Critical Accounting Policies and Estimates</u>	<u>26</u>
	<u>Financial Highlights of Results for First Quarter 2015 and First Quarter 2014</u>	<u>26</u>
	<u>Results of Operations and Related Information by Segment</u>	<u>30</u>
	<u>Federal Income Taxes</u>	<u>43</u>
	<u>Financial Condition, Liquidity, Short-term Borrowings, and Capital Resources</u>	<u>44</u>
	<u>Ratings</u>	<u>46</u>
	<u>Off-Balance Sheet Arrangements</u>	<u>46</u>
	<u>Contractual Obligations, Contingent Liabilities, and Commitments</u>	<u>46</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>47</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>47</u>

PART II. OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>48</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>48</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>49</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>50</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>51</u>
<u>Signatures</u>		<u>52</u>

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

SELECTIVE INSURANCE GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	Unaudited	
	March 31, 2015	December 31, 2014
(\$ in thousands, except share amounts)		
ASSETS		
Investments:		
Fixed income securities, held-to-maturity – at carrying value (fair value: \$311,093 – 2015; \$333,961 – 2014)	\$296,557	318,137
Fixed income securities, available-for-sale – at fair value (amortized cost: \$4,059,034 – 2015; \$3,975,786 – 2014)	4,174,242	4,066,122
Equity securities, available-for-sale – at fair value (cost: \$199,617 – 2015; \$159,011 – 2014)	211,571	191,400
Short-term investments (at cost which approximates fair value)	124,376	131,972
Other investments	95,020	99,203
Total investments (Note 4)	4,901,766	4,806,834
Cash	14,804	23,959
Interest and dividends due or accrued	38,416	38,901
Premiums receivable, net of allowance for uncollectible accounts of: \$4,201 – 2015; \$4,137 – 2014	596,888	558,778
Reinsurance recoverables, net	574,982	581,548
Prepaid reinsurance premiums	141,941	146,993
Deferred federal income tax	92,061	98,449
Property and equipment – at cost, net of accumulated depreciation and amortization of: \$175,896 – 2015; \$172,183 – 2014	61,855	59,416
Deferred policy acquisition costs	191,956	185,608
Goodwill	7,849	7,849
Other assets	78,627	73,215
Total assets	\$6,701,145	6,581,550
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Reserve for loss and loss expenses	\$3,516,268	3,477,870
Unearned premiums	1,132,733	1,095,819
Notes payable	394,301	379,297
Current federal income tax	10,627	3,921
Accrued salaries and benefits	142,092	158,382
Other liabilities	189,186	190,675
Total liabilities	\$5,385,207	5,305,964
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: 100,430,480 – 2015; 99,947,933 – 2014		