

Selective Insurance (SIGI)

\$82.30 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$85.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/03/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: C

Summary

Selective Insurance is poised to witness top-line growth, backed by sustained premium increases across its segments. Premiums have been benefiting from its compelling portfolio, high retention ratio, pure renewal price increase, geographic expansion and new business growth. Going forward, net investment income is likely to be driven by a growing fixed-income portfolio. Selective Insurance estimates an after-tax net investment income of \$420 million in 2025. The company boasts a solid capital position that enables effective capital deployment. growing fixed-income portfolio. Shares of Selective Insurance have underperformed the industry over the past year. Constantly rising social inflation and the corresponding increases in claims costs have led the company to select its exposure with greater care, which is leading to a slowdown in revenue growth.

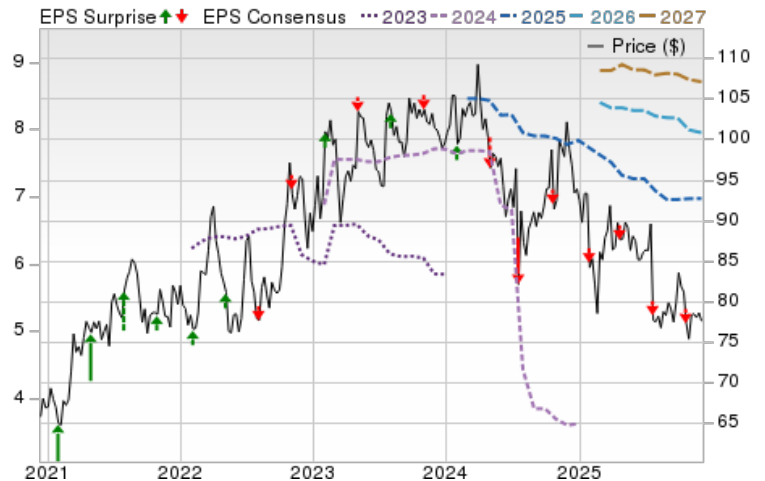
Data Overview

52 Week High-Low	\$97.88 - \$71.75
20 Day Average Volume (sh)	418,965
Market Cap	\$5.0 B
YTD Price Change	-12.0%
Beta	0.26
Dividend / Div Yld	\$1.72 / 2.1%
Industry	Insurance - Property and Casualty
Zacks Industry Rank	Top 10% (24 out of 243)

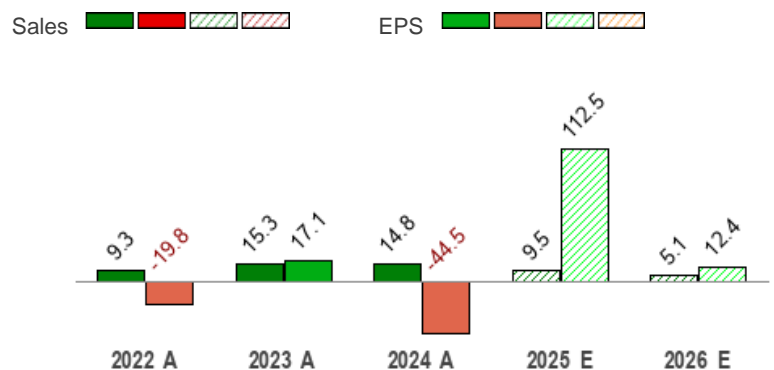
Last EPS Surprise	-4.9%
Last Sales Surprise	0.4%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/04/2026
Earnings ESP	-0.7%

P/E TTM	12.8
P/E F1	11.8
PEG F1	0.2
P/S TTM	1.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,369 E	1,383 E	1,411 E	1,438 E	5,600 E
2025	1,285 A	1,323 A	1,352 A	1,367 E	5,327 E
2024	1,167 A	1,195 A	1,239 A	1,264 A	4,865 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.93 E	1.75 E	1.80 E	2.33 E	7.81 E
2025	1.76 A	1.31 A	1.75 A	2.13 E	6.95 E
2024	1.33 A	-1.10 A	1.40 A	1.62 A	3.27 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/12/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/12/2025.

Overview

Headquartered in Branchville, NJ, Selective Insurance Group, Inc. was established in 1925. The company operates as a P&C insurer through 10 subsidiaries across the United States, nine of which are licensed as admitted carriers and one authorized as a non-admitted carrier to operate in the Excess and Surplus (E&S) segment.

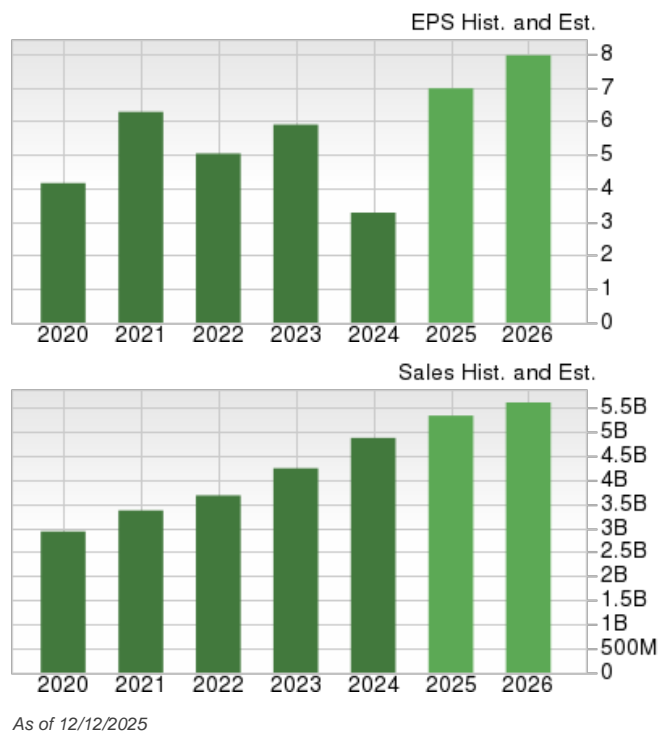
It provides a broad range of P&C insurance products and services, including property, casualty and flood insurance to businesses, non-profit organizations, local government agencies and individuals. Selective Insurance classifies its operations into four segments, namely Standard Commercial Lines, Standard Personal Lines, Excess and Surplus (E&S) Lines and Investments.

Standard Commercial Lines (71.5% of 2024 revenue) — This segment offers insurance products and services to commercial enterprises including businesses, non-profit organizations and local government agencies across 25 states and the District of Columbia. Presently, the segment represents 79% of the total insurance operations' net premiums written (NPW) and is sold across 25 states and the District of Columbia.

Standard Personal Lines (8.8%) — The segment offers products and services mainly to individuals, who have obtained coverage in the standard marketplace. The company is the fifth largest provider of standard personal coverage through the National Flood Insurance Program (NFIP) and writes flood business insurance across all 50 states and the District of Columbia. This segment contributed 9% of NPW.

Excess and Surplus Lines (10.4%) — The segment provides insurance products and services to customers who have not obtained sufficient coverage in the standard marketplace. Currently, the company writes commercial lines E&S coverages with the business forming 12% of NPW and sold in all 50 states and the District of Columbia.

Investments (9.3%) — This is the income it earns on assets acquired from premiums collected by its insurance subsidiaries and amounts generated through its capital management strategies.



Reasons To Buy:

- ▲ Selective Insurance operates as a **leading property and casualty insurer** with a strong emphasis on both Standard Commercial Lines and Excess & Surplus (E&S) Lines. The commercial insurance landscape reflects a mix of dynamics. Some sectors are experiencing premium increases due to social inflation and natural disasters, while others are seeing rate moderation as markets stabilize and underwriting criteria tighten. The industry is responding to evolving risk profiles by leveraging technology and adopting data-centric approaches. At the same time, admitted insurers continue to scale back from high-risk areas such as catastrophe exposure, complex liability, cyber and emerging technologies, driving continued demand for E&S offerings that deliver flexible and tailored coverage solutions.
- ▲ It is evident that the industry is going through a **hard market cycle** that started in 2018. With inflation staying above 2% and an increase in catastrophe losses due to climate change, the hard market is here to stay. A hard market is characterized by higher pricing, which, coupled with prudent underwriting standards, should continue to drive premiums higher and ensure sustained profitability. SIGI's net premiums written increased at an eight-year CAGR (2017-2024) of 8.7%, driven by overall renewal pure price increases and direct new business. Selective Insurance remains focused on improving its organic growth, with its Commercial Lines business increasing its share of distribution partners' overall premium to 12%, appointing new distribution partners to achieve a 25% agent market share and expanding into new states.
- ▲ The company is **expanding its Standard Commercial Lines** business with the goal of competing effectively against national insurers and offsetting its risk in natural disaster-prone areas. Last year, it started operations in Maine, Nevada, Oregon, Washington and West Virginia. By 2026, it expects to add Kansas, Montana and Wyoming. Moody's Investor Service notes that its focus on low-to-medium hazard, small to midsize commercial accounts and strong relationships with independent agents are supporting performance.
- ▲ Despite a low interest rate environment in the past, the company has managed to deliver **impressive investment results**, primarily driven by strong and reliable returns from its growing fixed-income portfolio and supported by higher returns from its non-fixed income portfolio. This P&C insurer prefers fixed-income investments, such as bonds, because they offer predictable returns that can be used in claims payment. The insurer has about 82% of its investments invested in fixed maturities and short-term investments, with equity securities and other investments accounting for 18%. It generated strong operating cash flow in the first nine months of 2025. The company continues to expect after-tax net investment income of \$420 million in 2025, up from \$415 million guided earlier.
- ▲ Selective Insurance **flaunts a sound capital structure** and remains committed to enhancing shareholders' value while improving its financial strength and underwriting capabilities and thus scores strongly with credit rating agencies (financial strength rating from A. M. Best A+, Standard & Poor's A, Moody's A2, Fitch A+). SIGI's capital remains strong with \$3.4 billion of GAAP equity, \$3.4 billion of statutory surplus as of Sept. 30, 2025, and a book value per share increase of 13% year over year. The company's strong operating cash flow provides ample financial flexibility to support organic growth plans and execute its strategic initiatives. It remains well-positioned to continue executing on the strategic objectives and delivering growth and profitability.
- ▲ Riding on a solid capital position, the company **has been hiking dividends**, which registered a five-year annualized dividend growth of 10.6% banking on strong financial and operating performance. The recent 13% increase in its quarterly dividend and the 12th consecutive annual increase. In the first nine months of 2025, Selective Insurance repurchased shares for \$55.4 million. The board of directors also authorized a new share repurchase program under which it may repurchase shares worth up to \$200 million. Such steadfast endeavors buoy confidence among investors, making it an attractive pick for yield-seeking investors. Its dividend yield of 1.9% appears attractive compared with the industry average of 1.1%.
- ▲ Further, the company's trailing 12-month **return on equity (ROE) reinforces its growth potential**. Return on equity is a profitability measure reflecting how effectively the company is utilizing its shareholders' funds. In the first nine months of 2025, operating return on common equity of 13% expanded 800 basis points year over year. It exceeded the 12% target. The increase in non-GAAP operating ROE was driven by improved underwriting profitability in Commercial and Personal Lines segments and increased net investment income. SIGI expects a mid-teens (14%) operating ROE for 2025.

Geographic expansions, improving premiums, improved rate environment leading to better investment income and solid capital position well poise Selective Insurance for long term growth.

Reasons To Sell:

- ▼ **Rising social inflation** remains a negative for Selective's results. The Geneva Association has a comprehensive explanation of the concept. Social inflation refers to an environment where the cost of insurance claims increases at a higher rate than the general level of economic inflation. Narrowly, this is the result of increased litigation, which in turn comes from increased awareness, new legal interpretations, claims management, larger settlements and so forth. However, other factors, such as rising prices, changing attitudes toward risk absorption and inequality, public sentiments toward corporations, demographic shifts and emerging/new risks also play a role. The resultant increases in legal cost, not factored into prices, in turn affects profitability of insurance companies. Selective Insurance has been setting aside its profits to deal with these expenses, which has led to unfavorable prior year reserve development and a corresponding negative impact on its combined ratio. The underlying combined ratio for the first nine months of 2025 was 91.6, down 260 basis points year over year, reflecting higher current year casualty loss costs. For 2025, SIGI estimates a GAAP combined ratio of 97% to 98%, which exceeds its long-term target of 95%. It also expects an underlying combined ratio of 91% to 92% in 2025, up 100 basis points from the earlier guidance.
- ▼ The company is now actively moving away from more risky business, which contributed to **slowing revenue growth** in the last quarter. Being a property and casualty (P&C) insurer, Selective Insurance will remain exposed to catastrophe loss stemming from natural disasters and weather-related events. However, appropriate risk selection will help the company's financials in the long run. Therefore, this is likely to be a short-term negative.
- ▼ **Increasing competition in the E&S market** is emerging as a challenge for Selective Insurance Group. With the segment's profitability and flexibility attracting more insurers and new market participants, pricing pressure is increasing. The combination of rising capital inflows and enhanced risk analytics is reducing entry barriers, which puts pressure on margins and makes it more difficult for established players to maintain their competitive positioning.
- ▼ As of Sept. 30, 2025, the company's total debt was \$902 million, which increased 78% from 2024 end, and the debt-to-capital ratio was 20.5, which deteriorated 650 bps from 2024 end. The company's cash and equivalents were \$0.4 million as of Sept. 30, 2025. Therefore, the **cash balances are not sufficient to meet its debt obligations**.

Exposure to catastrophe loss due to natural disasters and weather-related events and elevated expenses continue to remain a concern for the company.

Last Earnings Report

SIGI Misses Q3 Earnings Estimates, Ups Dividend, Okays Share Buyback

Selective Insurance reported third-quarter 2025 operating income of \$1.75 per share, which missed the Zacks Consensus Estimate by 4.9%. The bottom line, however, increased 25% year over year.

The company's performance in the quarter reflects solid underwriting income, lower catastrophe losses, average renewal pure price increase and lower loss and loss expenses.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	0.42%
EPS Surprise	-4.89%
Quarterly EPS	1.75
Annual EPS (TTM)	6.44

Behind the Headlines

Total revenues of \$1.4 billion increased 8.9% from the year-ago quarter's figure, primarily due to higher net premiums written, net premiums earned and net investment income earned. The top line beat the Zacks Consensus Estimate by 0.4%.

On a year-over-year basis, net premiums written (NPW) increased 4% to \$1.2 billion, driven by renewal pure price increases. Average renewal pure price contracted 90 basis points year over year to 9.6%. Our estimate for NPW was \$1.3 billion. Net investment income increased 18% year over year to \$110 million.

Net catastrophe losses of \$24.9 million were narrower than the year-ago loss of \$148.8 million. Non-catastrophe property loss and loss expenses were \$169.6 million, wider than the year-ago loss of \$146.7 million.

Underwriting income of \$16.7 million increased more than threefold year over year. The combined ratio of 98.6 improved 90 basis points year over year. The Zacks Consensus Estimate was 97.6. Our estimate was also 97.6.

Total expenses increased 7.7% year over year to \$1.2 billion, primarily due to higher loss and loss expense incurred. Our estimate was \$1.9 billion.

Segmental Results

Standard Commercial Lines' NPW was up 4% year over year to \$940.8 million. The premium growth reflected average renewal pure price increases of 8.9% and retention of 82%. Our estimate was \$962.8 million. The combined ratio deteriorated 190 basis points (bps) to 101.1. The Zacks Consensus Estimate was 98.9 and our estimate was 97.

Standard Personal Lines' NPW decreased 6% year over year to \$104.2 million due to deliberate profit improvement actions. New business decreased 20%, while renewal pure price was 16% and retention was 79%. The figure was lower than our estimate of \$120.1 million.

The combined ratio improved 1200 bps on a year-over-year basis to 110.1. The Zacks Consensus Estimate was pegged at 99.3, while our estimate was 124.8.

Excess & Surplus Lines' NPW was up 14% year over year to \$162.9 million, driven by average renewal pure price increases of 8.3%. Our estimate was \$180.6 million.

The combined ratio improved 700 bps to 76.2. The Zacks Consensus Estimate was pegged at 88.7, while our estimate was 83.5.

Financial Update

Selective Insurance exited the third quarter of 2025 with total assets of \$15 billion, 11% above the level at the end of December 2024.

Long-term debt of \$902.3 million surged 78% from the 2024 end level. Debt-to-total capitalization deteriorated 650 bps to 20.5% from the 2024 end level.

As of Sept. 30, 2025, adjusted book value per share was \$54.46, up 12% year over year.

Operating return on common equity was 13.2%, up 110 bps year over year.

Share Repurchase and Dividend Update

Selective Insurance repurchased \$36 million worth of shares in the third quarter.

The board of directors authorized a quarterly cash dividend of 43 cents per share, marking a 13% increase in its quarterly dividend and the 12th consecutive annual increase. The dividend will be paid out on Dec. 1 to shareholders of record at the close of business on Nov. 14, 2025.

The board of directors authorized a new share repurchase program under which it may repurchase shares worth up to \$200 million. The program will be effective from Oct. 27, 2025. The company's existing share repurchase program, which had \$19.9 million of shares remaining as of Sept. 30, 2025, will remain effective through Oct. 24, 2025.

2025 Guidance

SIGI estimates a GAAP combined ratio of 97% to 98%.

Selective Insurance estimates an after-tax net investment income of \$420 million, up from the prior guidance of \$415 million.

The overall effective tax rate is expected to be around 21.5%. Weighted average shares were 61.1 million on a fully diluted basis.

Valuation

Selective Insurance's shares are down 13.1% in the year to date period and down 16% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 7.2% and up 16.1% in the year to date period, respectively. Over the past year, the Zacks sub-industry and sector are up 5.6% and up 13.1%, respectively.

The S&P 500 index is up 19.4% in the year to date period and up 16.1% in the past year.

The stock is currently trading at 1.49X trailing 12-month book value, which compares to 1.48X for the Zacks sub-industry, 4.26X for the Zacks sector and 8.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 2.66X and as low as 1.36X, with a 5-year median of 1.95X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$85 price target reflects 1.57X book value.

The table below shows the summary of valuation data for SIGI

Valuation Multiples - SIGI					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	1.49	1.48	4.26	8.57
	5-Year High	2.66	1.73	4.37	9.16
	5-Year Low	1.36	1.17	2.87	6.6
	5-Year Median	1.95	1.44	3.52	8.05
P/S F12M	Current	0.88	2.24	9.07	5.34
	5-Year High	1.54	10.43	10.06	5.5
	5-Year Low	0.8	1.66	6.68	3.83
	5-Year Median	1.3	2.08	8.39	5.05
P/E F12M	Current	10.28	27.3	17.29	23.61
	5-Year High	25.81	31.85	18.28	23.78
	5-Year Low	9.46	23.33	12.37	15.73
	5-Year Median	13.67	27.89	16.12	21.21

As of 12/11/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 10% (24 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
CNA Financial Corpor...(CNA)	Outperform	2
Mercury General Corp...(MCY)	Outperform	1
United Fire Group, I...(UFCS)	Outperform	1
Axis Capital Holding...(AXS)	Neutral	2
ProAssurance Corpora...(PRA)	Neutral	4
RLI Corp. (RLI)	Neutral	3
W.R. Berkley Corpora...(WRB)	Neutral	3
Stewart Information ...(STC)	NA	

Industry Comparison ⁽¹⁾ Industry: Insurance - Property And Casualty				Industry Peers	
	SIGI	X Industry	S&P 500	MCY	PRA
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	1	4
VGM Score	A	-	-	A	D
Market Cap	4.97 B	4.44 B	39.38 B	5.18 B	1.25 B
# of Analysts	5	3.5	22	1	3
Dividend Yield	2.09%	0.52%	1.41%	1.36%	0.00%
Value Score	A	-	-	A	D
Cash/Price	0.12	0.14	0.04	0.33	0.29
EV/EBITDA	16.98	8.09	14.60	5.93	12.70
PEG Ratio	0.22	1.60	2.23	NA	NA
Price/Book (P/B)	1.51	1.56	3.35	2.32	0.96
Price/Cash Flow (P/CF)	20.50	12.99	15.20	10.98	18.67
P/E (F1)	11.84	11.56	19.78	13.75	23.78
Price/Sales (P/S)	0.95	1.30	3.06	0.89	1.12
Earnings Yield	8.47%	8.65%	4.99%	7.27%	4.20%
Debt/Equity	0.27	0.14	0.57	0.26	0.32
Cash Flow (\$/share)	4.02	4.53	8.99	8.51	1.30
Growth Score	B	-	-	A	C
Hist. EPS Growth (3-5 yrs)	-4.42%	18.53%	8.16%	4.92%	-3.38%
Proj. EPS Growth (F1/F0)	112.54%	23.10%	8.57%	-5.42%	7.37%
Curr. Cash Flow Growth	-38.67%	15.00%	6.75%	430.93%	5.83%
Hist. Cash Flow Growth (3-5 yrs)	-5.25%	11.62%	7.43%	17.68%	35.96%
Current Ratio	0.32	0.48	1.19	0.45	0.28
Debt/Capital	20.54%	12.74%	38.01%	20.47%	24.42%
Net Margin	7.78%	10.57%	12.78%	7.55%	3.01%
Return on Equity	12.96%	16.51%	17.00%	19.53%	4.78%
Sales/Assets	0.37	0.34	0.53	0.65	0.20
Proj. Sales Growth (F1/F0)	9.50%	3.46%	5.77%	8.30%	-4.40%
Momentum Score	C	-	-	D	C
Daily Price Chg	1.35%	0.51%	-1.07%	2.59%	0.41%
1 Week Price Chg	6.14%	3.66%	-0.63%	3.96%	1.51%
4 Week Price Chg	4.92%	1.14%	1.39%	6.15%	1.08%
12 Week Price Chg	6.29%	2.61%	2.45%	17.61%	1.89%
52 Week Price Chg	-14.92%	6.56%	12.83%	27.82%	45.71%
20 Day Average Volume	418,965	208,307	2,728,366	174,434	330,955
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.10%	0.00%	0.00%	-6.01%
(F1) EPS Est 12 week change	0.20%	8.24%	0.69%	51.11%	-7.43%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-2.22%

Analyst Earnings Model⁽²⁾

Selective Insurance Group, Inc. (SIGI)

In \$MM, except per share data

	2021A	2022A	2023A	2024A	2025E					2026E				2027E	
	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement															
Net Premiums Written	\$3,189.7	\$3,573.6	\$4,134.5	\$4,630.0	\$1,240.4	\$1,288.6	\$1,207.9	\$1,178.6	\$4,915.5	\$1,326.7	\$1,364.9	\$1,263.0	\$1,246.2	\$5,200.8	\$5,386.1
Net Premiums Earned	\$3,017.3	\$3,373.4	\$3,827.6	\$4,376.4	\$1,158.8	\$1,188.1	\$1,204.7	\$1,207.0	\$4,758.6	\$1,220.6	\$1,229.7	\$1,236.1	\$1,247.7	\$4,934.1	\$5,138.7
Net Investment Income Earned	\$326.6	\$288.2	\$388.7	\$457.1	\$120.7	\$128.0	\$138.7	\$147.7	\$535.1	\$138.7	\$146.6	\$162.6	\$170.5	\$618.4	\$670.5
Net Realized and Unrealized (Losses) Gains	\$17.6	(\$114.8)	(\$3.6)	(\$2.9)	\$0.2	\$4.2	\$8.1	(\$6.3)	\$6.2	\$1.2	\$11.5	\$9.3	(\$4.0)	\$17.9	\$25.3
Other Income	\$17.7	\$11.3	\$19.4	\$31.1	\$5.5	\$6.5	\$8.7	\$12.7	\$33.4	\$10.1	\$6.7	\$11.7	\$19.2	\$47.8	\$62.6
Total Revenues	\$3,379.2	\$3,558.1	\$4,232.1	\$4,861.7	\$1,285.2	\$1,326.7	\$1,360.1	\$1,361.2	\$5,333.2	\$1,370.5	\$1,394.5	\$1,419.7	\$1,433.5	\$5,618.2	\$5,897.1
Operating Revenue	\$3,361.6	\$3,672.9	\$4,235.7	\$4,864.6	\$1,285.0	\$1,322.5	\$1,352.0	\$1,367.4	\$5,326.9	\$1,369.3	\$1,383.0	\$1,410.5	\$1,437.5	\$5,600.3	\$5,871.8
Loss and Loss Expense Incurred	\$1,814.0	\$2,111.8	\$2,484.3	\$3,164.5	\$746.3	\$823.9	\$819.0	\$775.1	\$3,164.3	\$791.6	\$855.1	\$873.5	\$823.5	\$3,343.7	\$3,497.5
Net Underwriting Expenses Incurred	\$979.5	\$1,089.9	\$1,203.8	\$1,338.0	\$365.8	\$365.4	\$368.1	\$373.1	\$1,472.4	\$381.9	\$376.6	\$378.9	\$384.4	\$1,521.9	\$1,591.0
Dividends to Policyholders	\$5.1	\$4.9	\$6.8	\$6.5	\$1.0	\$1.2	\$0.9	\$1.5	\$4.6	\$2.4	\$1.3	\$1.2	\$1.2	\$6.2	\$5.7
Underwriting Income	\$218.6	\$166.8	\$132.8	(\$132.6)	\$45.6	(\$2.4)	\$16.7	\$57.3	\$117.2	\$44.6	(\$3.2)	(\$17.5)	\$38.6	\$62.4	\$44.4
Amortization of Deferred Policy Acquisition Costs	\$626.5	\$705.8	\$796.2	\$922.4	\$247.4	\$250.3	\$250.2	\$259.5	\$1,007.4	\$261.0	\$263.5	\$265.0	\$274.2	\$1,063.6	\$1,115.2
Other Insurance Expenses	\$375.9	\$400.3	\$433.7	\$453.2	\$124.9	\$122.8	\$127.5	\$128.2	\$503.4	\$134.8	\$127.4	\$132.0	\$133.0	\$527.2	\$555.1
Interest Expense	\$29.2	\$28.8	\$28.8	\$28.9	\$9.6	\$13.3	\$13.3	\$13.3	\$49.5	\$13.3	\$13.3	\$13.3	\$13.3	\$53.2	\$53.2
Corporate Expenses	\$28.3	\$31.1	\$30.7	\$34.6	\$18.1	\$7.6	\$4.4	\$5.0	\$35.1	\$18.8	\$9.4	\$5.0	\$5.6	\$38.7	\$39.7
Total Expenses	\$2,873.9	\$3,277.9	\$3,773.7	\$4,603.2	\$1,146.3	\$1,217.8	\$1,214.4	\$1,181.1	\$4,759.6	\$1,219.5	\$1,268.6	\$1,288.7	\$1,249.6	\$5,026.5	\$5,260.7
Pre-Tax Income	\$505.3	\$280.2	\$458.4	\$258.0	\$138.9	\$108.9	\$145.7	\$180.0	\$573.5	\$151.0	\$125.9	\$131.0	\$183.9	\$591.8	\$636.4
Income Tax	\$101.5	\$55.3	\$93.2	\$51.0	\$29.0	\$23.0	\$30.4	\$42.5	\$124.9	\$32.5	\$27.1	\$28.2	\$39.5	\$127.2	\$136.8
Tax Rate	20.1%	19.7%	20.3%	20.7%	20.8%	20.7%	20.7%	23.6%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
Net Income	\$403.8	\$224.9	\$365.2	\$207.0	\$109.9	\$85.9	\$115.3	\$137.5	\$448.6	\$118.5	\$98.8	\$102.8	\$144.4	\$464.5	\$499.6
Preferred Stock Dividends	\$9.4	\$9.2	\$9.2	\$9.2	\$2.3	\$2.3	\$2.3	\$2.3	\$9.2	\$2.3	\$2.3	\$2.3	\$2.3	\$9.2	\$9.2
Net Income Available to Common Stockholders	\$394.5	\$215.7	\$356.0	\$197.8	\$107.6	\$83.6	\$113.0	\$135.2	\$439.4	\$116.2	\$96.5	\$100.5	\$142.1	\$455.3	\$490.4
Net Realized and Unrealized Investment Losses (Gains), After Tax	(\$13.9)	\$90.7	\$2.8	\$2.3	(\$0.2)	(\$3.3)	(\$6.4)	(\$4.9)	(\$14.8)	\$0.9	\$9.1	\$7.3	(\$3.1)	\$14.2	\$20.0
Net Operating Income	\$380.6	\$306.4	\$358.7	\$200.1	\$107.4	\$80.3	\$106.7	\$130.3	\$424.7	\$117.1	\$105.6	\$107.9	\$138.9	\$469.5	\$510.4
Basic Share Outstanding	60.2	60.4	62.2	63.7	62.1	60.8	60.6	60.6	61.0	60.2	59.9	59.5	59.2	59.7	58.3
Diluted Share Outstanding	60.7	60.9	61.0	61.3	61.3	61.3	61.0	61.0	61.1	60.7	60.3	60.0	59.6	60.1	58.7
Basic EPS	\$6.55	\$3.57	\$5.87	\$3.25	\$1.77	\$1.37	\$1.87	\$2.23	\$7.24	\$1.93	\$1.61	\$1.69	\$2.40	\$7.63	\$8.42
Diluted EPS	\$6.50	\$3.54	\$5.84	\$3.23	\$1.76	\$1.36	\$1.85	\$2.22	\$7.19	\$1.92	\$1.60	\$1.68	\$2.38	\$7.58	\$8.36
Operating EPS	\$6.27	\$5.03	\$5.89	\$3.27	\$1.76	\$1.31	\$1.75	\$2.13	\$6.95	\$1.93	\$1.75	\$1.80	\$2.33	\$7.81	\$8.70
Dividend per Share	\$1.03	\$1.14	\$1.25	\$1.43	\$0.38	\$0.38	\$0.38	\$0.43	\$1.57	\$0.43	\$0.43	\$0.43	\$0.43	\$1.72	\$1.72

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	B
Momentum Score	C
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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