



Selective Insurance Group, Inc. (SIGI)

Updated January 31st, 2026, by Kody Kester

Key Metrics

Current Price:	\$84	5 Year CAGR Estimate:	18.2%	Market Cap:	\$5.1B
Fair Value Price:	\$119	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	02/13/26
% Fair Value:	71%	5 Year Valuation Multiple Estimate:	7.1%	Dividend Payment Date:	03/02/26
Dividend Yield:	2.0%	5 Year Price Target	\$183	Years Of Dividend Growth:	12
Dividend Risk Score:	A	Sector:	Financials	Rating:	Buy

Overview & Current Events

Selective Insurance Group Inc. (SIGI) is a regional property and casualty (P&C) insurer that offers a range of commercial and personal insurance products to small businesses and individuals, primarily in the eastern and midwestern portions of the United States. Founded in 1926 and headquartered in New Jersey, the company operates through its main subsidiary, Selective Insurance Company of America, as well as nine other P&C insurance companies. In 2025, the company's Standard Commercial Lines segment made up 78.9% of total net premiums written. SIGI's Excess and Surplus Lines segment contributed another 13.0% to the total. The remaining 8.2% of net premiums written were derived from the Standard Personal Lines segment. SIGI also has an Investments segment, which invests the premiums received by its insurance subsidiaries.

On January 29th, the company released its financial results for the fourth quarter ended December 31st, 2025. The company's total revenue grew by 8.6% year-over-year to \$1.36 billion in the quarter. SIGI's total net premiums earned increased by 7.4% over the year-ago period to \$1.22 billion during the quarter. Strength in the company's Standard Commercial Lines segment and Excess and Surplus Lines segment more than offset a slight decline in the Standard Personal Lines segment for the quarter. SIGI's net investment income surged 17.1% year-over-year to \$143.8 million in the quarter. The company's non-GAAP operating income per share soared 58.6% over the year-ago period to \$2.57 during the quarter. This topped the analyst consensus for the quarter by \$0.39.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.75	\$3.11	\$3.66	\$4.40	\$4.15	\$6.27	\$5.03	\$5.89	\$3.27	\$7.38	\$7.91	\$12.17
DPS	\$0.61	\$0.66	\$0.74	\$0.83	\$0.94	\$1.03	\$1.14	\$1.25	\$1.43	\$1.57	\$1.72	\$2.65
Shares¹	58.0	58.5	59.0	59.5	59.9	60.2	60.3	60.6	60.9	60.4	60.4	61.3

Since 2016, SIGI has compounded its non-GAAP operating income per diluted share at a double-digit rate annually. Looking ahead, we continue to believe that earnings can grow by 9% annually off an anticipated 2026 base of \$7.91. That will be driven by a trifecta of price increases, high retention rates, and disciplined underwriting. Overall, we expect the share count to increase slightly over the medium term.

¹ Share count is in millions.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.7	18.9	16.7	14.8	16.1	13.1	17.6	16.9	28.6	11.3	10.6	15.0
Avg. Yld.	1.4%	1.1%	1.2%	1.3%	1.4%	1.3%	1.3%	1.3%	1.5%	1.9%	2.0%	1.4%

Over the past decade, SIGI's shares have traded at a P/E ratio as low as the low double-digits to as much as the upper 20s. The average P/E ratio during that time was roughly 17. Backing out the elevated P/E ratio in 2024, we believe a reasonable fair value for SIGI is still around 15. Compared to the current P/E ratio of 10.6, this signals that shares are deeply discounted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22%	21%	20%	19%	23%	16%	23%	21%	44%	21%	22%	22%

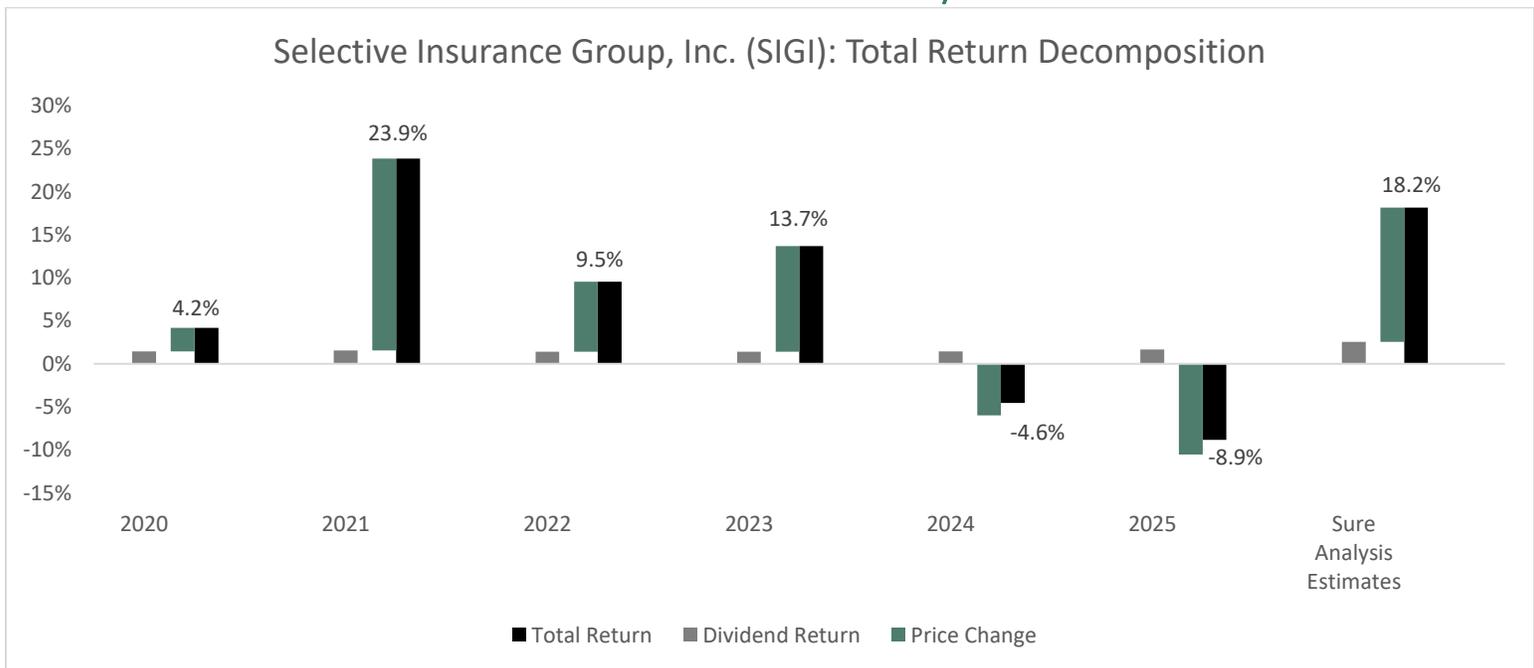
SIGI's strong regional focus and deep relationships with independent agents are a competitive advantage. This enables it to properly price risk and maintain high retention rates throughout its business. SIGI's careful underwriting and pricing strategy provides stability despite market volatility and loss trend challenges.

SIGI is also financially sound. The company enjoys A+ credit ratings from AM Best and Fitch, an A credit rating from S&P, and an A2 (A equivalent) credit rating from Moody's. SIGI's dividend is also secure, with the payout ratio set to be in the low-20% range in 2026. That should provide room for the payout to grow as fast as non-GAAP operating income per diluted share in the years ahead.

Final Thoughts & Recommendation

SIGI's 2.0% yield, 9.0% annual non-GAAP operating income per diluted share growth prospects, and 7.1% annual valuation multiple upside potential could deliver 18.2% annual total returns over the medium term. As a result, we're maintaining our Buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,132	2,284	2,470	2,586	2,846	2,922	3,379	3,558	4,232	4,861
D&A Exp.	60	62	52	45	55	59	55	42	30	35
Net Profit	166	158	169	179	272	246	404	225	365	234
Net Margin	7.8%	6.9%	6.8%	6.9%	9.5%	8.4%	12.0%	6.3%	8.6%	4.8%
Free Cash Flow	365	311	365	439	447	532	749	776	736	1,069
Income Tax	67	61	93	33	65	57	101	55	93	51

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	6,904	7,356	7,686	7,953	8,797	9,688	10,461	10,802	11,803	13,514
Cash & Equivalents	1	0	1	1	0	0	0	0	0	0
Acct. Recv.	1,177	1,303	1,342	1,320	1,397	1,424	1,545	1,868	1,970	2,529
Goodwill & Int.	8	8	8	8	8	8	8	8	8	8
Total Liabilities	5,506	5,824	5,973	6,161	6,602	6,949	7,479	8,275	8,848	10,394
Long-Term Debt	388	439	439	440	550	550	501	501	501	508
Total Equity	1,398	1,531	1,713	1,792	2,195	2,539	2,783	2,328	2,754	3,120
LTD/E Ratio	0.28	0.29	0.26	0.25	0.25	0.20	0.17	0.20	0.17	0.16

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.5%	2.2%	2.2%	2.3%	3.2%	2.7%	4.0%	2.1%	3.2%	1.6%
Return on Equity	12.4%	10.8%	10.4%	10.2%	13.6%	10.0%	14.1%	8.2%	13.3%	6.8%
Shares Out.	57	58	59	59	59	60	60	60	61	61
Revenue/Share	36.66	38.88	41.61	43.31	47.44	48.47	55.70	58.45	69.42	79.69
FCF/Share	6.28	5.30	6.16	7.35	7.44	8.82	12.35	12.75	12.08	17.52

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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