



3Q2014 EARNINGS CONFERENCE CALL  
November 4, 2014

# FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements about our operations, anticipated performance and other similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. The forward-looking statements are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and/or projected. Such forward-looking statements are based on current expectations, estimates, forecasts and projections about our company, the industry in which we operate, and beliefs and assumptions made by management. Words such as “expect(s),” “anticipate(s),” “intend(s),” “plan(s),” “believe(s),” “continue(s),” “seek(s),” “estimate(s),” “goal(s),” “remain optimistic,” “target(s),” “forecast(s),” “project(s),” “predict(s),” “should,” “could,” “may,” “will continue,” “might,” “hope,” “can” and other words and terms of similar meaning or expression in connection with a discussion of future operating, financial performance or financial condition, are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. Information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in Part I Item 1A “Risk Factors” of our annual report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission (“SEC”) on March 5, 2014 and any subsequent quarterly reports on Form 10-Q. The risks identified on Form 10-K are representative of the risks, uncertainties, and assumptions that could cause actual outcomes and results to differ materially from what is expressed in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release or as of the date they are made. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Reconciliations of non-GAAP measures are available in our quarterly news releases, which are available on the Investors Relations page of our website [www.UnitedFireGroup.com](http://www.UnitedFireGroup.com).

## FINANCIAL HIGHLIGHTS – 3Q2014

	<u>3Q14</u>	<u>YTD</u>
Operating Gain/(Loss) Per Share	\$( 0.01)	\$ 0.81
Net Income per Diluted Share	\$ 0.01	\$ 0.95
Net Realized Investment Gains per Share	\$ 0.02	\$ 0.14
Catastrophe Losses per Share	\$ 0.60	\$ 1.20
GAAP Combined Ratio	107.4%	103.0%
Book Value per Share		\$32.26
Return on Equity		4.1%

## 3Q2014 P&C PREMIUM GROWTH

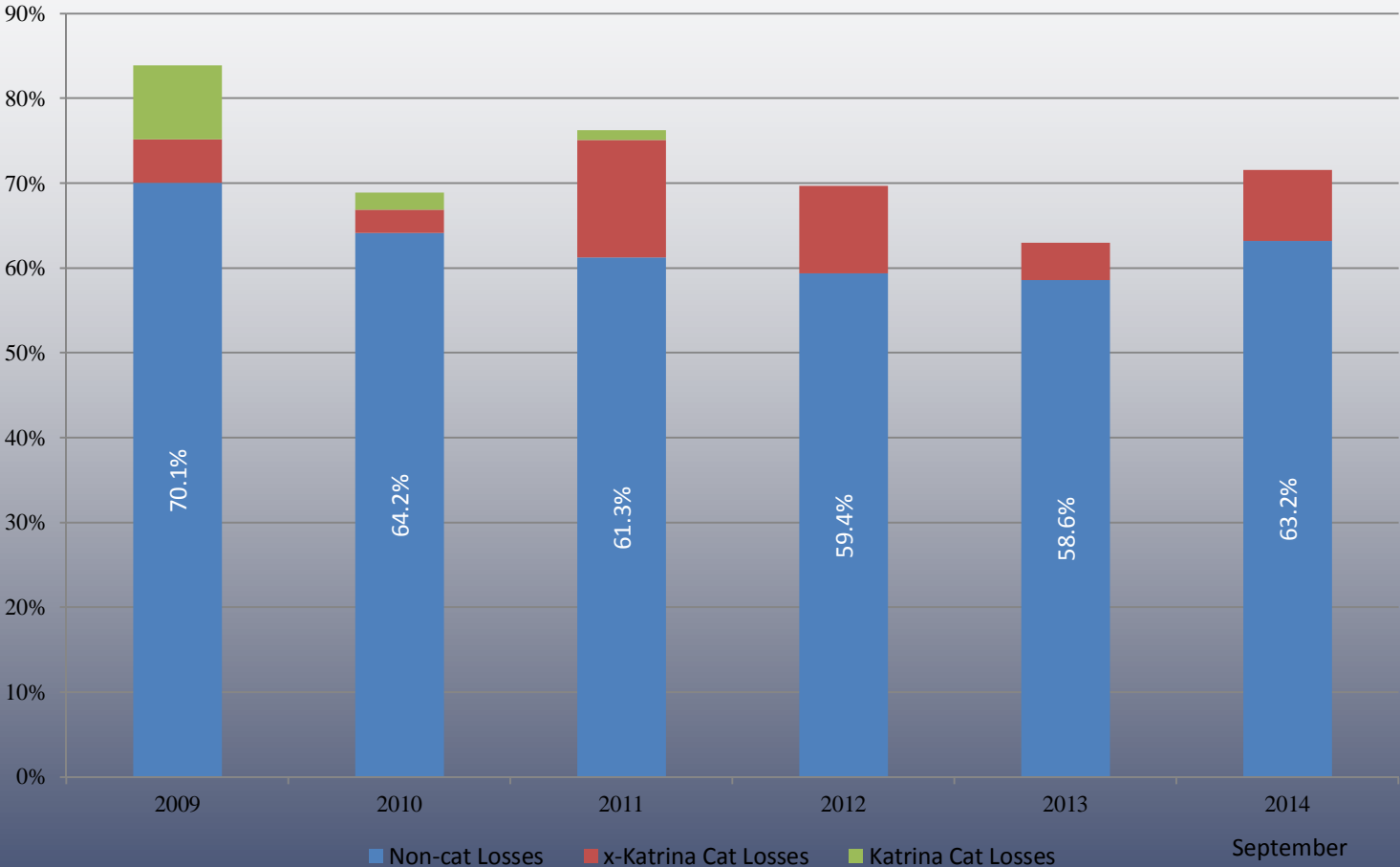
P&C premium grows for the 12<sup>th</sup> consecutive quarter

- Commercial lines 11.7%
- Personal lines 0.2%
- Group (all lines) 10.5%
  - Rate increases 6.7%
  - New business 3.2%
  - Exposure increases 0.6%

### Retention

- Premium retention (down) 86.8%
- Policy retention (down) 82.4%

# CORE LOSS RATIO vs. CATASTROPHE LOSSES



# CAPITAL MANAGEMENT

	2010	2011	2012	2013	2010-2013	9Mo2014
Total Shares O/S	26,195,552	25,505,350	25,227,463	25,360,893		25,056,402
Shares Repurchased	343,328	702,947	340,159	59,603	1,446,037	401,516
Average Repurchase Price/share	\$ 18.29	\$ 17.69	\$ 21.46	\$ 27.58	\$ 19.13	\$ 28.02
Total Repurchased	\$ 6,280,042	\$ 12,433,158	\$ 7,306,236	\$ 1,645,885	\$ 27,665,321	\$ 11,248,983
Dividend Payments	\$ 15,773,889	\$ 15,507,401	\$ 15,269,472	\$ 17,483,803	\$ 64,034,565	\$ 14,671,910
Total Capital Returned to SH	\$22,053,931	\$27,940,559	\$22,575,708	\$19,129,688	\$91,699,886	\$ 25,920,893

Current Quarterly Dividend \$0.20 per share  
 Repurchase Authorization 1,668,598 shares (program expires August 31, 2016)  
 Program + Dividend Payout \$117,620,779 (2010 through 9/30/2014)

