

## **Donegal Mutual Insurance Company Enters into Agreement with Safeco Insurance for Transfer of Personal Lines Business in Seven States**

SEPTEMBER 10, 2018, Marietta, PA: Donegal Mutual Insurance Company today announced that it, along with several of its affiliated insurance companies (collectively, "Donegal"), is exiting the personal lines business in the states of Alabama, Maine, Nebraska, New Hampshire, North Carolina, South Carolina and South Dakota. Donegal has entered into an agreement with Safeco Insurance, a Liberty Mutual Company, ("Safeco") to provide Donegal's independent agents in those states a compelling option for transitioning their Donegal policyholders to Safeco.

Donegal wrote approximately \$25.0 million of personal lines premiums in the seven states in 2017, representing approximately 2.6% of its overall premium writings.

"While we are actively seeking growth in our commercial lines of business throughout our operating regions, Donegal also remains solidly committed to maintaining and expanding our personal lines of business in markets where we have sufficient scale and spread of risk to achieve profitability. This transfer represents an opportunity for us to exit seven states where we have been unable to achieve that objective and to enable us to focus our efforts on our personal lines operations in other states," said Kevin G. Burke, President and Chief Executive Officer of Donegal Mutual Insurance Company and Donegal Group Inc. "We are pleased to partner with Safeco to provide an alternative for our independent agents and personal lines customers in these seven states, where we plan to continue growing our commercial lines premium writings."

"Safeco is committed to the success of independent agents, and we are excited to partner with Donegal to give their independent agents an opportunity to build their partnership with Safeco," said Gary Fischer, Senior Vice President of Distribution Strategy and Operations Support at Safeco Insurance. "Safeco's innovative approach to book transfer leverages our leading products and services to help independent agents grow their business while providing their customers with a seamless experience."

### **About Donegal Insurance Group:**

Donegal Mutual Insurance Company, in business since 1889, and the insurance subsidiaries of Donegal Group Inc. (NASDAQ:DGICA) (NASDAQ:DGICB) conduct business together as the Donegal Insurance Group. The Donegal Insurance Group offers property and casualty insurance in 22 Mid-Atlantic, Midwestern, New England and Southern states. Donegal Mutual Insurance Company and its insurance subsidiaries also offer commercial property and casualty lines of insurance in four Southwestern states. The Donegal Insurance Group has an A.M. Best rating of A (Excellent).

For more information about the Donegal Insurance Group, go to [www.donegalgroup.com](http://www.donegalgroup.com).

### **About Safeco Insurance:**

In business since 1923 and based in Boston, Mass., Safeco Insurance sells personal automobile, homeowners and specialty products through a network of more than 10,000 independent insurance agencies throughout the United States. Safeco is a Liberty Mutual Insurance company.

In business since 1912, and headquartered in Boston, Mass., Liberty Mutual Insurance is a leading global insurer with operations in 30 countries around the world. Liberty Mutual is the third largest property and casualty insurer in the U.S. based on 2017 direct written premium data as reported by the National Association of Insurance Commissioners. The Company also ranks 68th on the Fortune 100 list of largest corporations in the U.S. based on 2017 revenue. As of December 31, 2017, it had \$39.4 billion in annual consolidated revenue.

For more information about Safeco Insurance, go to [www.Safeco.com](http://www.Safeco.com).