



EMC Insurance Group Inc.





EMCI NASDAQ

Insurance - Property / Casualty

Market Capitalization USD:

\$237.23 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Bruce G. Kelley

Age: 58

CEO Since: 1992

	2009	2010	2011
Base Salary	\$740,220	\$773,552	\$808,366
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$679,522	\$314,062	\$73,561
Benefits and Perquisites	\$235,161	\$266,509	\$265,769
TOTAL ANNUAL COMPENSATION	\$1,654,903	\$1,354,123	\$1,147,696
Increase in Post-Retirement Benefits	\$137,172	\$240,645	\$210,594
Stock Option Awards	\$22,500	\$10,800	\$16,740
Stock Awards	\$0	\$0	\$0
TOTAL COMPENSATION	\$1,814,575	\$1,605,568	\$1,375,030
Median of Other Named Executive Officers Total Compensation	\$934,485	\$1,100,746	\$733,122
Value Realized on Exercise of Stock Option	\$4,463	\$109,250	\$9,140
Value Realized on Vesting of Stock	\$0	\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$4,463	\$109,250	\$9,140

Proxy Date: 13 Apr 2012

Annual Meeting Date: 24 May 2012

Equity Reserves: 31.90%

Stock Option Run Rate: 2.14%

EMC Insurance Group Inc.

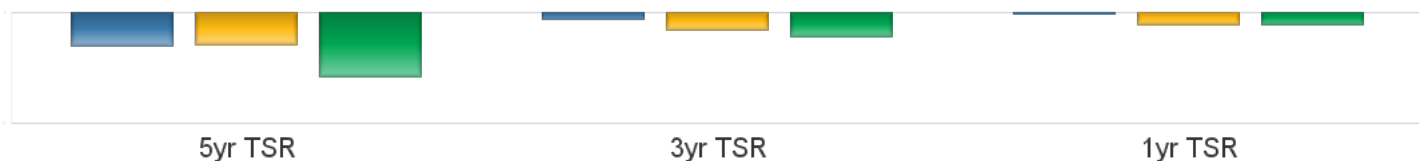
EMCI NASDAQ

Insurance - Property / Casualty

Market Capitalization USD: **\$237.23 mm**

Performance Comparison

■ S&P500 ■ Industry ■ EMCI



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
EMCI	EMC Insurance Group Inc.	\$1,814,575	\$1,605,568	\$1,375,030	\$237,232,543
SIGI	Selective Insurance Group, Inc.	\$3,175,671	\$3,270,785	\$3,334,627	\$704,928,035
NAVG	Navigators Group, Inc. (The)	\$2,287,675	\$2,516,084	\$2,068,919	\$645,693,468
IPCC	Infinity Property and Casualty Corporation	\$1,754,272	\$1,842,605	\$2,558,530	\$641,492,481
SAFT	Safety Insurance Group, Inc.	\$2,761,049	\$3,110,451	\$2,276,823	\$574,553,603
STFC	State Auto Financial Corporation	\$1,800,456	\$2,456,277	\$2,556,473	\$529,603,218
GBLI	Global Indemnity plc	\$2,353,767	\$925,801	\$1,445,544	\$519,696,900

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Specific companies not disclosed. The 2011 base salary ranges for Employers Mutual's executive officers were established through a process which started with an analysis of insurance industry salary surveys published by Towers Watson, an actuarial firm, and the Property Casualty Insurers Association of America ("PCI"), an insurance industry trade association, for calendar years 2009 and 2010. In addition, an industry salary survey published by Insurance Salary Survey ("ISS") for calendar year 2009 was also utilized.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Stephen A. Crane	Chairman	66	Male	3	Outside
George C. Carpenter	Member	84	Male	31	Outside
Jonathan R. Fletcher	Member	38	Male	2	Outside