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HARLEYSVILLE INSURANCE NAMES REGIONAL LEADERSHIP TEAM TO SUPPORT PROFITABLE GROWTH IN THE MIDWEST

HARLEYSVILLE, PA—June 7, 2006—Harleysville Insurance has named the leadership team for its new Midwest operation headquartered in Itasca, Ill., which was established as part of the company’s reorganization of its network of field offices into four geographic zones to support profitable growth and expansion of the company’s field sales and underwriting presence in key markets.

William D. Granato, regional president, announced the following appointments for the Midwest operation:

- Richard A. Schumacher Jr., regional vice president of commercial lines business development
- Todd A. White, regional vice president of commercial lines underwriting
- Jeffrey D. Brown, resident vice president—Michigan (based in Traverse City, Mich.)
- Douglas J. Holtz, resident vice president—Indiana and Ohio (based in Carmel, Ind.)
- Robert S. Wendt Jr., resident vice president—Iowa, Minnesota, Nebraska, North Dakota and South Dakota (based in Edina, Minn.)

The remaining states in the Midwest region—Illinois and Wisconsin—will be managed by Granato.

“We have assembled a strong leadership team in the Midwest,” explained Thomas E. Clark, senior vice president of field operations for the Harleysville Insurance organization. “These appointments and the ongoing implementation of our new regional structure are important steps forward in our company’s long-term strategy—steps that support our continuing efforts to enhance our top-quality underwriting and service levels, build on our highly visible, highly effective field presence, and provide us with a solid platform for future expansion and profitable growth.”

“We see significant opportunities to grow profitably in the Midwest,” said Granato. “The flexibility of our new Midwest regional operation—with the unique market knowledge and business expertise that come from the individual field offices at the local level—enables us to more closely align our sales and underwriting resources with our agents in order to take full advantage of those opportunities.”

The Itasca office serves as the hub for the company’s Midwest regional operation, with local field underwriting offices in Itasca, as well as Carmel, Ind., Edina, Minn., and Livonia and Traverse City, Mich.

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Biographical information

Richard A. Schumacher Jr. was the regional marketing manager for Crum & Forster Insurance's Chicago office before joining Harleysville. Prior to that, he was the manager of Zurich Insurance's construction branch in Detroit, Mich. He began his 14-year insurance career with Great American Insurance Company. He holds a bachelor's degree from Miami University of Ohio.

Todd A. White served as underwriting director for the Chicago branch of CNA Insurance prior to joining Harleysville. Before that, he was with The St. Paul Companies as a commercial underwriting manager in the Midwest. He also has held underwriting positions with Hanover Insurance, Liberty Mutual Insurance and Travelers Insurance. In total, he has 16 years of insurance industry experience. White is a graduate of Valparaiso University in Indiana and is currently pursuing a master's degree from Northern Illinois University. He also has earned the professional designation of Chartered Property Casualty Underwriter (CPCU).

Jeffrey D. Brown joined Harleysville in 1995 as general manager of its Traverse City office. Two years later, he was named resident vice president of that office. Most recently, he was vice president of commercial lines for Harleysville Lake States, a position he's held since 2000. Prior to Harleysville, he was with the former Meridian Insurance Company (now State Auto Insurance). He has 26 years of insurance industry experience. A graduate of Michigan State University, Brown also has earned the professional designations of Chartered Property Casualty Underwriter (CPCU), Certified Insurance Counselor (CIC), Associate in Claims (AIC), Associate in Management (AIM) and Associate in Reinsurance (ARE).

Douglas J. Holtz has been with Harleysville since 1994, when he joined the company to assist with the founding of the Carmel, Ind., office. Most recently, he was the office's commercial lines manager. Before that he, too, was with the former Meridian Insurance Company. In total, he has 30 years of industry experience. Holtz has a bachelor's degree from Central Michigan University and a master's in business administration from Anderson University in Indiana. Holtz has earned the professional designations of Chartered Property Casualty Underwriter (CPCU), Certified Insurance Counselor (CIC), Certified Safety Professional (CSP) and Certified Risk Manager (CRM) designations. He is also a national governor with the CPCU Society, and he serves on the board of directors of the National Alliance Research Academy.

Robert S. Wendt Jr. joined Harleysville's Minnesota operation (formerly Minnesota Fire & Casualty Insurance Company) in 1983 from Travelers Insurance. Since then, his primary responsibility has been commercial lines, but he also has managed the office's personal lines and marketing functions at various times. Most recently, he was vice president of commercial lines. A graduate of the University of Minnesota, Wendt also has earned the Chartered Property Casualty Underwriter (CPCU) designation, and he's worked in the insurance industry for 33 years.

Harleysville Insurance is a leading regional provider of insurance products and services for small and mid-sized businesses, as well as for individuals, and ranks among the top 60 U.S. property/casualty insurance groups based on net written premiums. Harleysville Mutual Insurance Company owns 55 percent of Harleysville Group Inc. (NASDAQ: HGIC), a publicly traded holding company for nine regional property/casualty insurance companies collectively rated A- (Excellent) by A.M. Best Company. Harleysville Insurance—which distributes its products exclusively through independent insurance agencies and reflects that commitment to its agency force by being a Trusted Choice[®] company partner—currently operates in 32 eastern and midwestern states. Further information can be found on the company's Web site at www.harleysvillegroup.com.

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