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BATEMAN PREDICTS A WILD, BUT EXCITING, RIDE FOR INSURANCE INDUSTRY DURING CPCU SOCIETY MEETING

SEPTEMBER 25, 2000—HARLEYSVILLE, PA—It's going to be bumpy—maybe even a little scary—but it won't be dull. That's the prediction Walter R. Bateman, chairman, president and CEO of The Harleysville Insurance Companies, made for the property casualty insurance industry during a presentation to the Philadelphia Society for Chartered Property Casualty Underwriters (CPCU).

“The next 12 to 24 months are going to be a more exciting time in the property casualty industry than any period in the previous 15 years,” announced Bateman from the podium at the Doubletree Hotel in Philadelphia. “It will be a good time to be a part of the industry...a good time to have that CPCU designation after your name. So sit down, hold on, and enjoy the ride.”

The market is hardening and once again underwriters have emerged as a market force, explained Bateman. However, he says, pricing won't be the only key to success for today's insurers. “The real winners in any market are not the trend watchers, but those who lay down the groundwork for their own success.”

That groundwork, in his eyes, includes a focused effort to win business in familiar and profitable risk categories, transactional efficiency, exceptional customer service and a commitment to a distribution system. “The insurers who win on these issues will be posting the best results a year or two from now,” he said.

Bateman also expressed confidence in the future of the independent agency system. “Internet or no Internet, buyers are willing to pay for the services of an agent to get advice,” commented Bateman. “Independent agents are here to stay because there is a large segment of customers who want them to stay.”

In addition, Bateman said, skilled, experienced people who have the tools of today's information technology are vital. “With the right people, smaller companies that understand the shape of the future can share in that future,” he said.

The Harleysville Insurance network, headquartered in Harleysville, Pa., has operations in 32 states, providing a variety of insurance-related products and services. Property and casualty insurance coverages for businesses and individuals are marketed through more than 3,000 independent insurance agencies. Harleysville's address on the Internet is www.harleysvillegroup.com.

Editor's note: The full text of Bateman's presentation is available upon request.

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