



Focused on profit, growth, service, people

It's just good business.



simple solutions for complex times®



Annual Meeting

UFG's annual stockholders' meeting will be held at 10 a.m. CT, on Wednesday, May 18, 2016, in our home office building in Cedar Rapids, Iowa. The usual notices and proxy material will be mailed to stockholders in advance of the meeting.

Our 2015 Form 10-K is filed with the Securities and Exchange Commission and is available to stockholders upon request to:

Corporate Secretary
United Fire Group, Inc.
118 Second Avenue SE
Cedar Rapids, Iowa 52401
Telephone: 319-399-5700

OR
Registrar and Transfer Agent
Computershare Investor Services
2 North LaSalle Street
Chicago, Illinois 60602

About UFG

Insurance can be complex but selecting coverages, issuing policies, making payments and resolving claims should be simple, at least that's how we think at UFG.

UFG has been protecting the simple—and complex—things in life since 1946. We offer commercial and personal insurance, life insurance and annuities, and surety bonds through approximately 1,200 independent property and casualty agents and 1,200 independent life insurance agents across the country. To serve our customers, we employ more than 1,000 people, with offices in California, Colorado, Iowa (home office), Louisiana, New Jersey, Pennsylvania and Texas.

A publicly traded multibillion-dollar-asset company, we hold a financial strength rating of "A" (Excellent) from A.M. Best Company. In 2015, UFG was named to *Forbes'* "America's 50 Most Trustworthy Financial Companies" for the second consecutive year.

At UFG, we choose to go beyond the complex side of our business and focus on the people side of our business—because it's the interactions we have with our insurance agents and policyholders that are most rewarding to us.

That, along with our commitment to ethical business practices, conservative financial management and effective risk mitigation, is the reason thousands of insurance agents and policyholders have chosen UFG since 1946 and beyond.

For more information about UFG, visit www.ufgins.com.



Why a vision and why now?

Because it's just good business.

If UFG were the type of company to rest on our past successes, we'd never be where we are today. After 70 years in the industry, we know our success comes from understanding that there's no place for complacency in the insurance business. Rather, the best time for strategic thinking and forward looking is *all the time*—when business is good, bad or in-between.

Our 2020 Vision was developed in 2014 to help us maintain consistent profitability in spite of the issues that challenge us—and all insurance companies—from year to year: destructive weather-related catastrophes, tough insurance cycles and difficult investment markets.

Specifically, it aims to improve how we operate in relation to our profit, growth, service and people. We're asking ourselves this: how can we be a better investment for our shareholders, a better partner for our agents, a better insurer for our policyholders and a better employer for our people?

Our 2020 Vision brings our entire workforce to the same page of thought, offering clear direction and guidance. It empowers us to make strategic decisions with a forward-looking lens.

FOCUSED ON GROWTH

Expanding in downtown Cedar Rapids

At UFG, we're not only expanding our business, we're expanding our footprint in downtown Cedar Rapids, too. With the purchase of the 1st Avenue and 1st Street building, we now own an entire city block in downtown Cedar Rapids, as well as the historic Security Building across the street.

2020 VISION: THE GOALS

Profit

Achieve a three-year return on equity in the top quartile of our peers

Growth

Increase our written premiums

Service

Provide best-in-class service for agents and policyholders

People

Be the best place to work by enhancing employee recruitment and retention

Letter to Shareholders



When I consider our financial performance for 2015, a couple phrases come to mind, such as “it was a year we wouldn’t mind repeating” or “we wish every year could be like this.” With above-average profits and lower-than-average losses, those phrases perfectly capture what 2015 was for UFG.

It was a year that wouldn’t have been possible without the support of our employees, insurance agents and policyholders, who believe as we do, that the insurance business is simply about people and protection.

We’re not here to merely issue policies and process claims; we’re here to protect peoples’ businesses, lives, homes and vehicles. And, when a loss occurs, we’re here to help them recover.

As CEO of UFG, I have the privilege of knowing and working with the most genuine, compassionate and hardworking people in this business—all right here, in our offices and out in our agencies, working to protect people every day.

I thank them for their extra work (and extra hours) in 2015. The single efforts of our employees and insurance agents all contribute to the success of UFG, positively impacting our bottom line, as well as the way we do business and serve our customers.

Randy A. Ramlo
President & CEO

FOCUSED ON SERVICE

Named one of “America’s 50 Most Trustworthy Financial Companies”

If the insurance business is about people—and we believe it is—then the insurance policy is about trust. That’s why being named one of “America’s 50 Most Trustworthy Financial Companies” by *Forbes* for the second consecutive year is so important. It recognizes us for our transparent accounting practices and solid corporate governance, reinforcing to our customers that they can trust us to make good on our promise of protection.

Forbes | 2015
**AMERICA’S MOST
TRUSTWORTHY
FINANCIAL
COMPANIES**

Now let’s talk numbers!

In 2015, we produced earnings per share of \$3.53, a combined ratio of 92.0 percent and a return on equity (ROE) of 10.5 percent. Our book value at year end was \$34.94 per share, which is an improvement of 6.9 percent, and our stock price continued to rise, closing at \$38.31 per share.

As much as we’d love to repeat our exceptional results in 2016, the insurance cycles and weather patterns don’t usually allow for repeat performances. So, we’ll continue to focus on our 2020 Vision goals, which I’m pleased to report we’re another year closer to achieving.

During 2015, we continued to make progress toward our 2020 Vision goals for profit, growth, service and people.

PROFIT

Maximize our return on equity

To meet our goal of having a three-year ROE in the top quartile of our peers, we are striving to produce double-digit ROEs, which we achieved in 2015, producing an ROE of 10.5 percent for the year.

Related to this, we also want to maintain a pure loss ratio of less than 50 percent, underwriting expenses of less than 31 percent and loss adjustment expenses of less than 15 percent.

Achievements in “profit”

- In 2015, we experienced low single-digit percentage increases on renewal premiums for smaller commercial accounts, with flat to low single-digit percentage decreases on renewals for larger commercial accounts; 2015 marked the fourth straight year of commercial lines pricing increases on our overall book of business. In our personal lines division, we’ve experienced pricing increases on our overall book of business for more than five consecutive years, with an average increase in the mid-single digits on renewal business in 2015.
- For the first time in several years, all of our regional branches—Midwest, Great Lakes, Denver, East Coast, Gulf Coast and West Coast—achieved an underwriting profit in 2015, which is indicative of our efforts to implement consistent underwriting practices and guidelines across the regions.
- Catastrophe losses were less than expected in 2015, adding 3.8 percentage points to the combined ratio. In any given year, we anticipate catastrophe losses to add 6 percentage points to the combined ratio.
- We experienced a decrease in our GAAP combined ratio of 5.8 percentage points to 92.0 percent in 2015, a result of a 5.5 percentage point improvement in our loss ratio and a 0.3 percentage point improvement in our expense ratio.

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FOCUSED ON PEOPLE

Named a "Top Workplace"

UFG was named a "Top Workplace" for 2015 by the *Des Moines Register*. The award is based solely on the results of employee surveys, which makes it especially meaningful. As part of our 2020 Vision, UFG is committed to giving our employees jobs that are rewarding and fulfilling, a workplace that is productive and positive, and the opportunity to learn and grow to their full potential. We don't believe that's too much to ask for in a company.



Focused on profit, growth, service, people

GROWTH

Increase our written premiums

As part of our 2020 Vision, our goal is to increase written premiums for our property and casualty segment by 2020. At \$927 million for the property and casualty segment at year-end 2015—an increase of 10.5 percent from year-end 2014—we're continuing to make good strides.

To achieve our written premiums goal, we're focusing primarily on organic growth, boosting our market share in the regions where we currently operate through increases in new business premiums, renewal prices and policy retention rates.

Achievements in "growth"

- UFG entered into the state of Ohio on September 1, 2015, and produced \$1 million in written premiums during the first four months.
- UFG appointed 96 new agencies in 2015 and three of our 10 target growth states—Alabama, Nevada and North Dakota—have now exceeded \$10 million in written premiums.
- In 2015, we released seven new or updated products into production and expanded our association business and state availability, which resulted in additional written premiums.
- We continued to expand our specialty division of excess and surplus lines of business, producing \$21.2 million in written premiums in 2015. Our specialty insurance is currently available in the states of Arizona, California, Colorado, Idaho, New Mexico, Nevada, Oregon and Utah; we will focus on appointing additional brokers in those states in 2016.



“Our people are what makes UFG such a great company to work for and a great company to do business with.”
— Randy Ramlo

- Our life insurance segment experienced a 29 percent increase in premiums in 2015, driven by sales of our single premium whole life policies. As part of our strategy to sell more life insurance products that aren't as interest-rate sensitive, we introduced a new graded benefit whole life product in 2015. We also increased sales of our long-term care coverage solution, as more consumers are seeking protection for long-term care. These life segment earnings were somewhat offset by the write-down of an energy sector security, as well as a decrease in investment income.

SERVICE

Provide best-in-class service for agents and policyholders

We've always prided ourselves on our high level of customer service, but it's important that we're delivering an overall great customer experience at every single touchpoint—from our emails and phone calls to our websites and printed materials. There's no doubt that a helpful attitude and pleasant demeanor go a long way when assisting a customer, but the customer experience goes far beyond that.

Our 2020 Vision encourages us to think from the viewpoint of our agents and policyholders, considering: are we easy to do business with; are we offering quality products at an affordable price; are our value-added services beneficial? Asking and answering these questions helps us provide the best customer

continued

FOCUSED ON PEOPLE

Inaugural recipients of Scotty McIntyre Jr. "Go Beyond" award

It was our former CEO Scotty McIntyre Jr. (1933–2009) who showed us the importance of viewing the insurance business as a people business. In his interactions with agents, policyholders and employees, he always chose to go beyond the numbers. Today, the values that Scotty stood for live on at UFG through the Scotty McIntyre Jr. "Go Beyond" award, which annually recognizes our agents and employees for their exceptional community service. In 2015, we accepted nominations for the award and proudly announced our three winners in January 2016.



Focused on profit, growth, service, people

experience we can. This, in turn, creates loyal and supportive customers—and we know those are the very best to have.

Achievements in “service”

- In service audits for 2015, claims employees met or exceeded their goals to set up claims on the same day as received, to contact insureds within 24 hours and to provide frequent status updates to agencies.
- Our loss control efforts continued to yield positive results in 2015. On average, UFG accounts receiving regular loss control services have lower loss ratios due to significantly fewer and less severe losses, as well as improved policy retention rates.
- In 2015, our service center of licensed account specialists assisted commercial policyholders with policy changes, coverage questions, billing inquiries and requests for certificates of insurance and auto ID cards. This service allows our insurance agents to devote more of their time to enhancing customer relations and prospecting new business.

PEOPLE

Be the best place to work!

Our people are what makes UFG such a great company to work for and a great company to do business with. Their smart decisions and meaningful contributions have enabled us to grow and expand while maintaining the strong customer relationships that are so important to us. Thanks to our employees, we’re a big company without the big-company feel.

That’s why, as an employer, we feel it’s essential that we do everything we can to give our employees jobs that are rewarding and fulfilling, a work environment that is positive and productive, training opportunities to learn and grow, and a work-life balance that really works — that’s what our 2020 Vision is all about.



UFG agent Garrett Jerue is the co-founder of Hope Lives Foundation, an organization that helps mentor children and young adult cancer patients in Western Wisconsin.



United Life agent Mark Friese is a volunteer at Providing Advocacy, Dignity and Shelter (PADS), an organization focused on helping the homeless based in Libertyville, Illinois.



UFG employee Karen Hernandez is the volunteer director of ReDirect Nuevo Camino, an organization dedicated to at-risk youth in Lincoln, California.

2015 RECIPIENTS

In the spirit of community service and in the name of each award recipient, UFG proudly contributed \$5,000 to these three community service organizations: Hope Lives Foundation, PADS and ReDirect Nuevo Camino.

“UFG believes it’s important to give back to our communities. This is the inaugural year for the award, and UFG plans to annually recognize our agents and employees with this award for exceptional community service and contribute to their respective causes.”

— Randy Ramlo

Achievements in “people”

- In 2015, UFG took numerous steps to enhance our employee recruitment and retention, such as offering flexible work arrangements, a new parental leave policy and additional casual days in the office.
- To improve how we evaluate employee performance, we decided to eliminate the annual review process in 2015 and replace it with less formal quarterly meetings between supervisors and employees.
- UFG was named a “Top Workplace” for 2015 by the *Des Moines Register*. This award is based solely on the results of employee surveys.

CLOSING

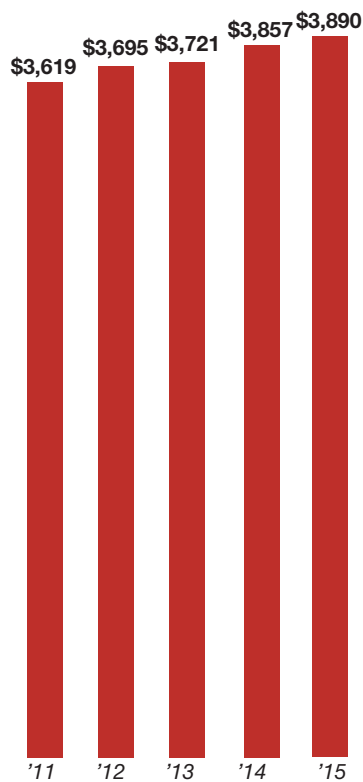
And now, I’ve saved our best news for last. For the first time in our history, UFG ended the year at over \$1.0 billion in total revenues, achieving a strong profit performance. This is a major milestone for our company, one we owe to the dedication and determination of our employees, who have embraced our 2020 Vision, and the loyalty and support of our agents and policyholders. It was a great ending to a great year!

Randy A. Ramlo
President & CEO

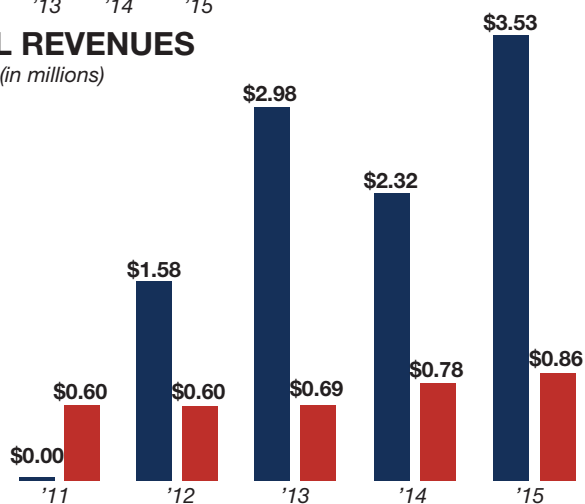
Financial highlights



TOTAL REVENUES
(in millions)



TOTAL ASSETS
(in millions)



EARNINGS AND DIVIDENDS PER COMMON SHARE

- Diluted earnings per common share
- Cash dividends paid per common share

FOCUSED ON PROFIT

Achieved \$1 billion in revenues

In 2015, UFG earned over \$1.0 billion in total revenues, achieving a strong profit performance. “This milestone is the result of the hard work and dedication of our employees and agents and the loyalty of our customers,” said President and CEO Randy Ramlo. “This achievement is in line with our key objectives and demonstrates the execution of our 2020 Vision.”

(Dollars in Thousands Except Per Share Data)

Years Ended December 31	2015	2014	2013	2012	2011
Total assets	\$ 3,890,376	\$ 3,856,689	\$ 3,720,672	\$ 3,694,653	\$ 3,618,924
Total stockholders' equity	\$ 878,897	\$ 817,415	\$ 782,833	\$ 729,177	\$ 696,141
Book value per share	\$ 34.94	\$ 32.67	\$ 30.87	\$ 28.90	\$ 27.29
Closing stock price	\$ 38.31	\$ 29.73	\$ 28.66	\$ 21.84	\$ 20.18
Revenues:					
Net premiums earned	\$ 930,890	\$ 828,330	\$ 754,846	\$ 694,994	\$ 586,783
Investment income, net of investment expenses	\$ 100,781	104,609	112,799	111,905	109,494
Total realized investment gains	\$ 2,846	7,270	8,695	5,453	6,440
Other income	401	1,685	702	891	2,291
Total revenues	\$ 1,034,918	\$ 941,894	\$ 877,042	\$ 813,243	\$ 705,008
Net income	\$ 89,126	\$ 59,137	\$ 76,140	\$ 40,212	\$ 11
Basic earnings per common share	3.56	2.34	3.01	1.58	—
Diluted earnings per common share	3.53	2.32	2.98	1.58	—
Cash dividends paid per common share	0.86	0.78	0.69	0.60	0.60
Combined ratio	92.0%	97.8%	94.8%	101.2%	112.1%

Left to right:
Randy Ramlo
Chris Drahozal
Mary Quass
Jim Noyce
JP Besong
Kyle Skogman
Susan Voss
Doug Hultquist
George Milligan
Casey Mahon
Scott Carlton
Jack Evans



“We’re not here to merely issue policies and process claims; we’re here to protect peoples’ businesses, lives, homes and vehicles. And, when a loss occurs, we’re here to help them recover.”

— Randy Ramlo

Board of Directors

Jack B. Evans, Chairman

James W. Noyce, Vice Chairman

John-Paul E. Besong

Scott L. Carlton

Christopher R. Drahozal

Doug M. Hultquist*

Casey D. Mahon

George D. Milligan

Mary K. Quass

Randy A. Ramlo

Kyle D. Skogman

Susan E. Voss

**Douglas Hultquist tendered his resignation from the board of directors, effective May 1, 2016.*



Executive Officers

Randy A. Ramlo	<i>President/CEO</i>
Michael T. Wilkins	<i>Executive Vice President/COO</i>
Dawn M. Jaffray	<i>Senior Vice President/CFO</i>
Barrie W. Ernst	<i>Vice President/CIO</i>
Neal R. Scharmer	<i>Vice President/General Counsel/ Corporate Secretary</i>

**Persons listed here include those identified as named executive officers in our proxy statement. A complete list of senior management is available at <http://ir.unitedfiregroup.com/OD>.*

“The single efforts of our employees and insurance agents all contribute to the success of UFG, positively impacting our bottom line, as well as the way we do business and serve our customers.”

— Randy Ramlo

FOCUSED ON PEOPLE

Thank you to these UFG employees who represent our entire employee body in all regions of the country. They are making our 2020 Vision a reality!



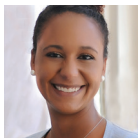
Rafael Jacobo
Associate Business Analyst



Brandi Northway
Claims Representative



Art Reynolds
Corporate Pilot



Brittney Wilson
Intermediate Accountant



Jed Haycraft
Claims Associate Trainee



Steve Watters
Senior Surety Claims Representative



Kathy Booher
United Life Claims Supervisor



UNITED FIRE GROUP, INC.

United Fire & Casualty Company

United Life Insurance Company

UFG Specialty Insurance Company

United Fire & Indemnity Company

United Fire Lloyds

Addison Insurance Company

Financial Pacific Insurance Company

Franklin Insurance Company

Lafayette Insurance Company

Mercer Insurance Company

Mercer Insurance Company of New Jersey, Inc.



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