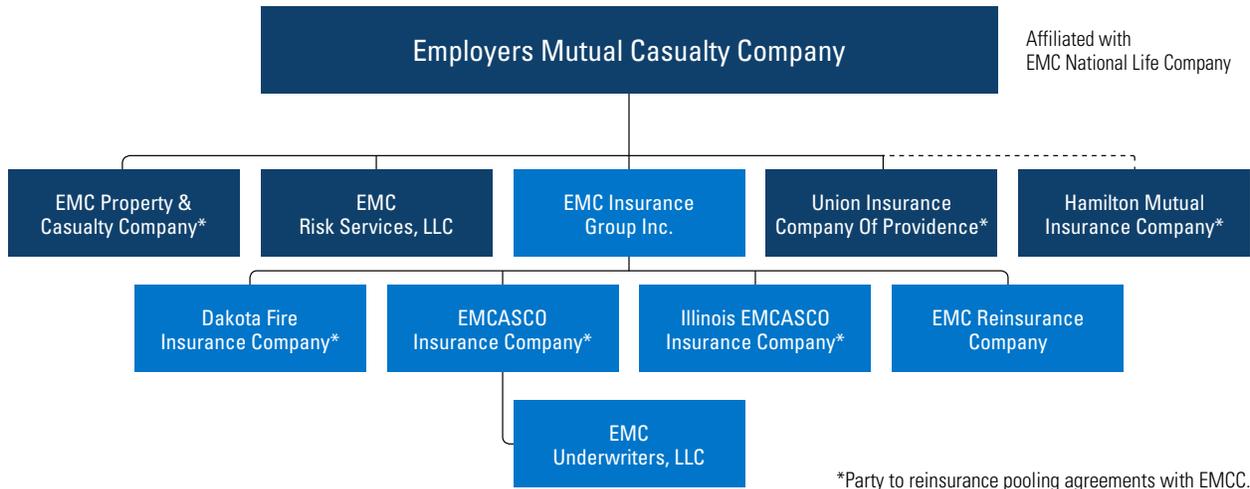


The background of the cover is a white page with a large, abstract graphic design. This design consists of several overlapping, horizontal bars in various colors: blue, orange, green, yellow, and purple. The bars are arranged in a way that creates a sense of depth and movement. A large, semi-transparent blue rectangular area is positioned in the center, containing the text '2014 ANNUAL REPORT'. The blue area has a subtle grid pattern. The overall aesthetic is modern and professional.

2014 ANNUAL REPORT



CORPORATE PROFILE

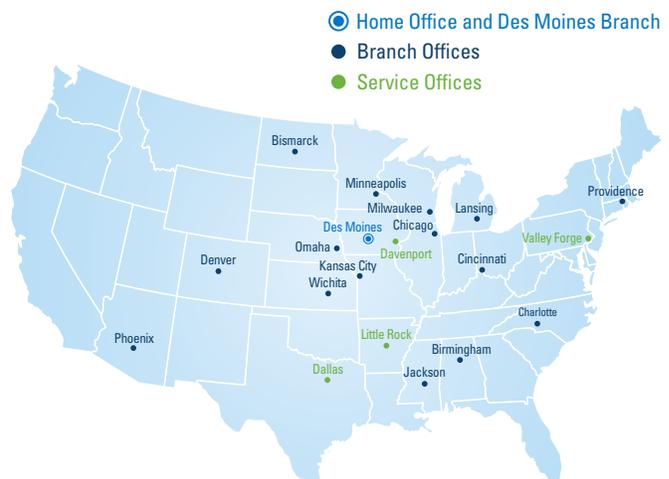
EMC Insurance Group Inc. (EMCI) is a publicly held insurance holding company with operations in property and casualty insurance and reinsurance. EMCI was formed in 1974 and became publicly held in 1982. The Company's common stock trades on the NASDAQ OMX Global Select Market tier of the NASDAQ OMX Stock Market under the symbol EMCI. EMCI is a controlled company in that its parent owns greater than 50 percent of its outstanding stock. As of December 31, 2014, EMCI's parent company, Employers Mutual Casualty Company, owned 58 percent of EMCI's outstanding stock, and public stockholders owned the remaining 42 percent. EMCI has no employees of its own.

Employers Mutual Casualty Company (EMCC) is a mutual insurance company founded in 1911 and is headquartered in Des Moines, Iowa. EMCC employs approximately 2,100 people countrywide and markets its products exclusively through a network of independent insurance agents.

EMC Insurance Companies (EMC) EMCI and EMCC, together with each entity's subsidiary and affiliated companies, operate collectively under the trade name EMC Insurance Companies. The companies that comprise EMC write both commercial and personal lines property and casualty insurance, with a focus on medium-sized

commercial accounts. Reinsurance business is also written, with an emphasis on property business. Products and services are offered through independent insurance agents who are supported by a network of 16 local branch offices. EMC is licensed in all 50 states and the District of Columbia and actively markets insurance products in 41 states; however, the majority of its business is generated in the Midwest.

LOCAL OFFICES





FROM LEFT:
Scott Jean, Executive Vice President for Finance and Analytics
Kevin Hovick, Executive Vice President and Chief Operating Officer
Bruce Kelley, President, Chief Executive Officer and Treasurer
Mick Lovell, Executive Vice President for Corporate Development

LETTER TO OUR STOCKHOLDERS

Following two years of incremental improvement in underwriting profitability, we were optimistic that we would achieve an underwriting profit in 2014, as 2013 rate level increases were earned and the increase in loss costs remained relatively low. However, we experienced above-average losses, resulting in a GAAP combined ratio for the year of 101.9 percent. This does not change our expectation of achieving an underwriting profit in 2015. We will continue to benefit from rate level increases implemented in previous years and expect losses to revert to more normal levels. Operating income for the year was \$2.02 per share, and book value per share increased from \$34.21 to \$37.08, aided by an 8.0 percent increase in investment income and a substantial reduction in the amount of net periodic pension and postretirement benefit costs allocated to the Company.

PREMIUM GROWTH

Over the past few years, the Company's net written premium growth in the property and casualty insurance segment has outpaced that of our peer companies. We are comfortable

with this level of growth because the overwhelming majority is attributed to rate level increases implemented on retained policies. Our rate level increases have exceeded the industry average since 2011, so it makes sense that our top-line growth would exceed the industry average during this time period. New business has grown marginally during this period and generally approximates the amount of business that we do not retain through normal attrition. As pricing increased, we were pleased that we maintained a consistent overall retention level above 85 percent.

We are confident our underlying book of business is sound. Past loss experience, more adequate rates, and sophisticated underwriting and pricing capabilities allow us to appropriately price each exposure for future profit potential. As we expand our product offerings, we will rely on our agency relationships to provide us with new opportunities that meet our stringent underwriting standards.

REINSURANCE SEGMENT

The reinsurance marketplace is becoming more challenging as premium rate levels are under pressure due to the influx of nontraditional capital. Catastrophe excess of loss business has experienced the most price competition; however, this business only accounts for approximately 20 percent of the reinsurance segment's total book of business. Having more than 60 years of experience and success in the reinsurance business provides us with valuable insights to help navigate the current market cycle.

CATASTROPHE AND STORM LOSSES

In 2014, the United States experienced a mild hurricane season for the second consecutive year, and the frequency of convective storms was also down compared to the long-term average. However, storms impacted areas in the Midwest where we have sizable exposures, resulting in

catastrophe and storm losses that were slightly above our expectations. New business is growing at a slightly faster clip in regions outside the Midwest, and we generally expect this trend to continue as we geographically diversify our business into areas that are less prone to weather-related events.

FOCUSED IMPROVEMENT

Our focus remains on building and maintaining strong, stable partnerships with our independent agents. An important part of the value we bring to our independent agents is to provide a full range of insurance products, including

personal lines coverages. Our personal lines profitability has been inconsistent over the years, and we have been actively reducing policy count to reduce exposure and

improve underwriting results. But to be successful in personal lines, we need to do more. So in August 2014, we created a new personal lines operation that will eventually assume responsibility for the growth and profitability of our personal lines business throughout the country. This will take some time to implement, but in the end, we expect improved performance in our personal lines business. This change in structure will also allow our 16 local branch offices to focus their efforts on commercial lines insurance, which accounts for approximately 90 percent of the property and casualty insurance segment's net written premiums.

Another area of focus has been our commercial auto line of business. We have seen, as have other commercial insurance carriers, an increase in large commercial auto losses. We continue to analyze our commercial auto accounts to identify any trends or issues we need to address. Significant losses are being reviewed early in their life cycles by litigation specialists in order to establish adequate reserves in a timely manner. As these policies renew, we are evaluating the underlying exposures to determine if we are getting an adequate price for the risks we are insuring. We recognize there is room for improvement and are confident the steps we are taking will help improve future underwriting results.

GROWTH IN NET INVESTMENT INCOME

Net investment income increased 8.0 percent, despite the prolonged low interest rate environment, buoyed by considerable growth in the fixed maturity portfolio and strong dividend income from the equity portfolio. Following the significant appreciation in equities in 2013, we invested in a limited partnership during the first quarter of 2014 designed to help protect the Company from a sudden and significant decline in the value of the equity portfolio. We view the cost associated with this protection similar to the cost of an insurance policy. Although the equity portfolio has not suffered a significant decline since this investment was made, it has provided the protection we needed to maintain a sizable exposure to the equity market and allowed us to fully participate in the attractive equity returns achieved during the past year.

EMC LEADERSHIP DEVELOPMENT

For the third consecutive year, EMC Insurance Companies is listed as one of the 40 best companies for leaders by *Chief Executive* magazine. EMC ranks 4th this year, jumping from

Experiencing a Large Loss

On March 29, 2014, a devastating fire destroyed a building across the street from EMC's headquarters in downtown Des Moines, Iowa, causing significant damage to two EMC buildings. Fortunately, no one was injured. EMC's emergency response team was well prepared with a disaster plan, and we pulled in our claim professionals who are experts in handling large complex claims. EMC was up and running throughout the ordeal with minimal interruption, and our 16 branch offices continued to do business. EMC does a great job of educating our commercial policyholders about disaster and emergency planning, and this experience proved that EMC can effectively implement its own crisis management plans when the unexpected happens.

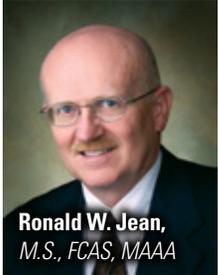
26th in 2014. The annual ranking is based on a worldwide survey of organizations conducted by the magazine, scored on criteria such as having a formal leadership process in

place and commitment of the chief executive officer to leadership development. We are very proud of this ranking, which comes as no surprise as we have created a culture that emphasizes leadership development and employee advancement at all levels of our organization.

This culture of leadership development was put to the test recently when former Executive Vice President for Corporate Development Ron Jean announced his plan to retire. In the process of replacing a valued senior executive, the EMCC Board of Directors and

I took the opportunity to review the executive management structure and make improvements that would spread the workload, combine related functions and use the skill sets of our executives to the fullest. While the expanded executive management team is under a new structure, it is filled with familiar faces—top executives whose priorities include delivering exceptional customer service to our agents and policyholders and delivering an attractive return to our stockholders. We look forward to the executive management team's valuable contributions to our success.

Ronald W. Jean Retires



Ron Jean,
Executive Vice
President for
Corporate
Development,
retired on
January 2, 2015,
after 35 years

with EMC. After a nationwide search, EMCC recruited Jean to start an actuarial department in 1979. Originally a department of one (Jean), the department expanded over the years to include 35 actuaries. In 2000, Jean moved into the position of Executive Vice President for Corporate Development, the position he held until his retirement. Jean was elected to the EMCC Board of Directors in 2009 and will continue in that capacity.

MOMENTUM FOR THE FUTURE

We were pleased with the affirmation of our "A" rating by A.M. Best Company in April 2014 for the financial strength ratings of the EMC Insurance Companies pool members and EMC Reinsurance Company. This demonstrates our ability to navigate the varying conditions of the insurance market and recognizes our proficiency in enterprise risk management. The strength of our financial condition and confidence in our long-term outlook enabled us to increase the quarterly cash dividend 8.7 percent from \$0.23 per share to \$0.25 per share during the fourth quarter. We have consistently paid a quarterly dividend since becoming a public company, as this remains an effective method of providing returns to our stockholders.

EMC is a near national insurance carrier ranked among the 50 largest insurance organizations in the country. We have the capabilities of a national insurance company, while maintaining a regional focus through our 16 branch offices that work closely with local independent agents to provide the right products to meet the insurance needs of the policyholders we serve. We are focused on returning to underwriting profitability in 2015 and remain intent on increasing the value of our stockholders' investments.

Thank you for your continued interest in EMC Insurance Group Inc.

Sincerely,

Bruce G. Kelley, J.D., CPCU, CLU
President & Chief Executive Officer

THE COMPANY IS ON FORBES **50 MOST TRUSTWORTHY**
FINANCIAL COMPANIES LIST IN THE SMALL CAP CATEGORY

FINANCIAL HIGHLIGHTS

	2014	2013	2012
(\$ in thousands)			
Revenues	\$ 590,118	\$ 558,988	\$ 503,825
Realized Investment Gains	\$ 4,349	\$ 8,997	\$ 8,017
Income Before Income Taxes	\$ 40,907	\$ 60,853	\$ 51,633
Net Income	\$ 29,992	\$ 43,519	\$ 37,966
(per share)			
Net Income	\$ 2.23	\$ 3.33	\$ 2.95
Catastrophe and Storm Losses	\$ 2.76	\$ 2.41	\$ 2.70
Dividends Paid	\$ 0.94	\$ 0.86	\$ 0.81
Book Value	\$ 37.08	\$ 34.21	\$ 31.08
(\$ in thousands)			
Average Return on Equity (ROE)	6.3%	10.2%	10.1%
Total Assets	\$ 1,497,820	\$ 1,374,501	\$ 1,290,709
Stockholders' Equity	\$ 502,886	\$ 455,210	\$ 401,209

Common Stock Performance

	2014			2013		
	High	Low	Dividend	High	Low	Dividend
1st Quarter	\$ 36.49	\$ 26.23	\$ 0.23	\$ 27.40	\$ 23.18	\$ 0.21
2nd Quarter	\$ 36.50	\$ 30.01	\$ 0.23	\$ 29.29	\$ 25.27	\$ 0.21
3rd Quarter	\$ 33.12	\$ 28.14	\$ 0.23	\$ 30.77	\$ 25.43	\$ 0.21
4th Quarter	\$ 35.71	\$ 28.34	\$ 0.25	\$ 35.48	\$ 27.04	\$ 0.23
Close at Dec. 31	\$ 35.46			\$ 30.62		

Cautionary Statement

FORWARD-LOOKING STATEMENTS: The Private Securities Litigation Reform Act of 1995 provides issuers the opportunity to make cautionary statements regarding forward-looking statements. Accordingly, any forward-looking statement contained in this report is based on management's current beliefs, assumptions and expectations of the Company's future performance, taking into account all information currently available to management. These beliefs, assumptions and expectations can change as the result of many possible events or factors, not all of which are known to management. If a change occurs, the Company's business, financial condition, liquidity, results of operations, plans and objectives may vary materially from those expressed in the forward-looking statements. The risks and uncertainties that may affect the actual results of the Company include, but are not limited to, the following:

- catastrophic events and the occurrence of significant severe weather conditions;
- the adequacy of loss and settlement expense reserves;
- state and federal legislation and regulations;
- changes in the property and casualty insurance industry, interest rates or the performance of financial markets and the general economy;
- rating agency actions;
- "other-than-temporary" investment impairment losses; and
- other risks and uncertainties inherent to the Company's business, including those discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K.

Management intends to identify forward-looking statements when using the words "believe," "expect," "anticipate," "estimate," "project," or similar expressions. Undue reliance should not be placed on these forward-looking statements.

COMMON STOCK

EMC Insurance Group Inc.'s common stock trades on the NASDAQ OMX Global Select Market tier of the NASDAQ OMX Stock Market under the symbol EMCI. As of February 20, 2015, the number of registered stockholders was 793.

There are certain regulatory restrictions relating to the payment of dividends by the Company's insurance subsidiaries (see Note 6 of Notes to Consolidated Financial Statements in this Annual Report). It is the present intention of the Company's Board of Directors to declare quarterly cash dividends, but the amount and timing thereof, if any, are determined by the Board of Directors at its discretion.

DIVIDEND REINVESTMENT AND COMMON STOCK PURCHASE PLAN

A dividend reinvestment and common stock purchase plan provides stockholders with the option of receiving additional shares of common stock instead of cash dividends. Participants may also purchase additional shares of common stock without incurring broker commissions by making optional cash contributions to the plan and sell shares of common stock through the plan (see Note 13 of Notes to Consolidated Financial Statements in this Annual Report). More information about the plan can be obtained by calling American Stock Transfer & Trust Company, LLC, the Company's stock transfer agent and plan administrator.

ANNUAL MEETING

We welcome attendance at our annual meeting on May 13, 2015, at 1:30 p.m. CDT.

EMC Insurance Companies
700 Walnut Street
Des Moines, IA 50309

STOCKHOLDER SERVICES

Corporate Headquarters

717 Mulberry Street
Des Moines, IA 50309
Phone: 515-280-2511

Transfer Agent

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
Phone: 866-666-1597
www.amstock.com

SEC Counsel

Nyemaster Goode, P.C.
700 Walnut Street, Suite 1600
Des Moines, IA 50309

Insurance Counsel

Bradshaw, Fowler, Proctor and Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309

Independent Registered Public Accounting Firm

Ernst & Young LLP
801 Grand Avenue, Suite 3000
Des Moines, IA 50309

Information Availability

Interested parties can request news releases, annual reports, Forms 10-Q and 10-K, quarterly financial brochures and other information at no cost by contacting:

Investor Relations

Steve Walsh, CPA
EMC Insurance Group Inc.
717 Mulberry Street
Des Moines, IA 50309
Phone: 515-345-2515
Fax: 515-345-2895
Email: emcins.group@emcins.com
Website: www.emcins.com/ir

EMCI BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD

Stephen A. Crane

69, A, C, E, N

Chair – Corp. Gov./Nominating Committee

Independent Consultant

Retired Chief Executive Officer

AlphaStar Insurance Group Ltd.

DIRECTORS

Jonathan R. Fletcher

41, C, I, N

Chair – Compensation Committee

Managing Director and Portfolio Manager

BTC Capital Management, Inc.

(finance, investments)

Robert L. Howe*, CFE, CIE, CGFM, AIR

72, A, C, I, N

Chair – Inter-Company Committee

Consultant, Insurance Strategies Consulting, LLC

Retired Deputy Commissioner and Chief Examiner,

Iowa Insurance Division

Bruce G. Kelley, J.D., CPCU, CLU

61, E

Chair – Executive Committee

President and Chief Executive Officer

EMC Insurance Group Inc.

Gretchen H. Tegeler

59, E, A, I

Chair – Audit Committee

Executive Director

Taxpayers Association of Central Iowa

INDEPENDENT DIRECTORS

Stephen A. Crane

Jonathan R. Fletcher

Robert L. Howe

Gretchen H. Tegeler

BOARD COMMITTEES

A Audit Committee

C Compensation Committee

E Executive Committee

I Inter-Company Committee

N Corporate Governance and Nominating Committee

*EMCI's Board-designated financial expert

EMCI OFFICERS

Karey S. Anderson, CFA

Assistant Secretary

Jason R. Bogart, CPCU, ARM

Senior Vice President, Branch Operations

Bradley J. Fredericks, M.B.A., FLMI

Vice President & Chief Investment Officer

Rodney D. Hanson, CPCU

Senior Vice President, Productivity and Technology

Richard W. Hoffmann, J.D.

Vice President, General Counsel & Secretary

Kevin J. Hovick, CPCU

Executive Vice President & Chief Operating Officer

Scott R. Jean, FCAS, MAAA

Executive Vice President for Finance and Analytics

Bruce G. Kelley, J.D., CPCU, CLU

President, Chief Executive Officer and Treasurer

Robert L. Link, CAM, CM

Senior Vice President & Assistant Secretary

Mick A. Lovell, CPCU

Executive Vice President for Corporate Development

Elizabeth A. Nigut, J.D.

Senior Vice President, Human Resources

Ronald A. Paine, CPA, CIA

Senior Vice President, Internal Audit

Carla A. Prather

Assistant Vice President & Controller

Mark E. Reese, CPA

Senior Vice President & Chief Financial Officer

Kelvin B. Sederburg, ACAS, MAAA

Vice President & Appointed Actuary

Lisa A. Simonetta, J.D.

Senior Vice President, Claims



EMC Insurance Group Inc.

Dakota Fire Insurance Company
EMC Reinsurance Company
EMC Underwriters, LLC
EMCASCO Insurance Company
Illinois EMCASCO Insurance Company

Home Office | 717 Mulberry Street | Des Moines, IA 50309 | 515-280-2511 | 800-447-2295 | emcins.group@emcins.com | www.emcins.com/ir

© Copyright Employers Mutual Casualty Company 2015. All rights reserved.

