



## CORPORATE DISCLOSURE POLICY

### Statement of Commitment

EMC Insurance Group Inc. (the Company) commits to providing timely, transparent and credible information to the investing public in conformity with any and all legal and regulatory requirements. It is imperative that disclosure be consistent in good times and bad, that selective disclosure be avoided at all times and that all parties in the investment community have fair access to information.

The goal of this disclosure policy is to develop and maintain realistic investor expectations by making all required disclosures on a broadly disseminated basis as defined or described in Regulation Fair Disclosure (Reg. FD), Regulation G (Reg. G)<sup>1</sup> and NASDAQ-listed company disclosure requirements. Failure to achieve this objective could result in significant liability for the company and, in some instances, certain employees<sup>2</sup>.

### Whom and What Disclosures This Policy Covers

This policy covers all employees and board members of the Company and Employers Mutual Casualty Company and their affiliates. It covers disclosures in SEC-filed documents, statements made in the Company's annual and quarterly reports, news and earnings releases, communications between the Company and analysts, investors and the news media, senior management speeches and presentations and information contained on the Company's Web site and intranet.

This policy also prohibits all employees from discussing material, nonpublic Company matters or developments with anyone outside the Company (including family members, relatives or friends), except as permitted by this policy.

Nothing in this policy should be construed as prohibiting an employee from complying with any local, state and federal laws and regulations, including those dealing with reporting emergencies to appropriate non-company agencies.

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<sup>1</sup> Regulation G (Reg. G) refers to the use of non-GAAP financial measures.

<sup>2</sup> EMC Insurance Group Inc. technically does not have employees. The Company utilizes the employees of Employers Mutual Casualty Company, the Company's parent organization. Any reference to employee, employees, personnel, etc. is a reference to persons in the employment of Employers Mutual Casualty Company.

## Material Information

It is impossible to provide a complete definition of what constitutes “material” Company information. Under the federal securities laws, information is material if its disclosure is likely to have an impact on the price of a security, or if reasonable investors would want to know the information before making an investment decision. In other words, information is material if it would alter significantly the total mix of information available regarding the security. Both positive and negative information can be material, as well as information that forecasts whether an event may or may not occur. Any questions concerning the materiality of particular information should be resolved in favor of materiality. Examples of material information about the Company include, but are not limited to:

- Announcements of earnings or losses;
- An actual change in earnings or in forecasted earnings that is higher or lower than the forecast;
- The launch of a new product or business;
- A pending or prospective merger, acquisition or tender offer;
- The sale of significant assets, or a significant subsidiary;
- The gain or loss of a substantial customer or supplier; and
- Major changes in senior management.

## Confidentiality

The maintenance of confidentiality is essential to the Company, both legally and practically. Accordingly, the disclosure committee (as defined below) will take steps to ensure that material and other sensitive information will be carefully handled in order to avoid “selective disclosure.” In addition, to avoid selective disclosure, the committee will be responsible for the timing of any release of material information.

## Selective Disclosure

Selective disclosure is the disclosure of material, nonpublic information to any individual or group prior to the broad public dissemination of that information. It is against the law and Company policy to selectively disclose material, nonpublic information to people or groups outside of the Company at any time, unless those people or groups are covered by confidentiality or nondisclosure agreements.

## The Role and Responsibilities of the Disclosure Committee

The Company has established a disclosure committee as suggested in Section 404 of the Sarbanes-Oxley Act to implement the internal control procedures for assessment and attestation of financial disclosures. This committee consists at a minimum of the general counsel, the corporate compliance officer, the chief investor relations officer, and the chief

corporate communications officer, with the committee reporting to the chief financial officer. In addition to assessing the process for public dissemination of information, the committee will decide when material developments justify public release, make recommendations to the chief executive officer on disclosure policies and meet as situations dictate.

It is essential that the disclosure committee be fully apprised of all material Company developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information or whether the information should remain confidential and, if so, how that inside information is controlled.

The role of this committee should not be construed as conducting normal investor relations activities by committee. It will systematically review the Company's prior material disclosures in SEC filings and other public statements to determine whether any updating or correcting is appropriate. The committee will also periodically review and update this policy, if needed.

### Designated Spokespersons and Their Responsibilities

Those designated in Reg. FD as "covered persons" by the rule are senior management, members of the board of directors, investor relations professionals and others who regularly interact with securities market professionals, security holders and the news media. Those authorized by this policy to speak on behalf of the Company are the chief executive officer, the chief financial officer, the investor relations officer and the corporate communications officer. Other employees of the Company may be designated from time to time to speak on behalf of the Company or to respond to specific inquiries from the investment community or the media.

### Instruction to Employees Who Are Not Authorized Spokespersons

Employees, other than those authorized to speak on behalf of the Company, will be instructed that they are not to respond, under any circumstances, to inquiries from the investment community or the media unless specifically authorized to do so by an authorized spokesperson to ensure consistent disclosure and the avoidance of selective disclosure.

Employees who are not authorized spokespersons who receive either direct or indirect inquiries from investors or the news media must refer all such inquiries to the appropriate, designated corporate investor relations or communications officer.

### Policy on News Releases

A news release will be issued on new material developments, unless the disclosure committee (1) determines that such developments should remain confidential for the time being, (2) institutes appropriate controls over that insider information, and (3) ensures that insider trading on such information is prohibited.

Any new material information that is to be intentionally discussed or presented in any meeting or conversation with analysts or investors will be preceded by the issuance of a broadly disseminated news release. If new material information is unintentionally disclosed in such a meeting or discussion with a member or members of the investment community, the Company will promptly (within 24 hours) issue a news release containing that information and will post that information on its Web site. To the extent practicable, the investor relations officer or someone intimately familiar with the Company's disclosure record will participate in any meetings or discussions with analysts or investors in order, at a minimum, to monitor the conversation for any unintentional disclosure of new material information and to facilitate the prompt release of that information.

In compliance with Reg. G, an earnings release will be furnished on a Form 8-K within four business days from its release. However, under normal circumstances, the Company will attempt to furnish its earnings release on Form 8-K prior to the earnings conference call to avoid, under the 48-hour exemption rule, the need to furnish a transcript of the conference call on Form 8-K should new material information be discussed during the call. The Company, however, will post that information promptly on its Web site.

The Company will reconcile non-GAAP information to GAAP equivalent information in the earnings release and will promptly post that information on its Web site, in accordance with Reg. G requirements. If non-GAAP information is discussed in the earnings conference call, the Company will maintain an audio transcript and/or a written transcript of the conference call on its Web site for one year.

### Conduct of Conference Calls

The Company makes a practice of holding open, publicly accessible conference calls to discuss quarterly financial results and other significant events that arise in the course of its business. Normally, with regularly scheduled conference calls, the Company will issue a news release at least one week in advance announcing the date and time of the call and explaining how to access the call. Since the Company normally discusses non-GAAP information in the call, the release will provide the location on the Company's Web site where the required reconciled information will be available. The Company will use its "push technology" to notify investors who have requested to be informed of upcoming conference calls.

Analysts and professional investors will have teleconference access to the call so they may participate in the question-and-answer part of the call. All others may listen to the call via the Internet on the Company's Web site. The Company will attempt to respond to as many questions as possible in the time allowed.

Unless otherwise required, an audio transcript of the call will be posted on the Company's Web site for two weeks, after which the audio transcript will be placed in the "archive" section of the Web site. All transcripts retained in the archive are to be considered time-dated material and not a current representation of Company views or forecasts.

## Investor Meetings

The Company makes a practice of responding to analyst and investor inquiries in the form of phone conversations, one-on-one meetings with the investor relations officer and other members of the senior management team and meetings with groups of analysts and investors. The purpose of these meetings is to allow/or permit investors to gain a better understanding of the strategies and fundamentals of the Company, as well as to give analysts and investors the opportunity to personally meet and assess management. The Company will not disclose material, nonpublic information selectively in these meetings. The Company also participates in a number of either Company-hosted or analyst-hosted conferences and other meetings, as schedules permit. A designated member of the investor relations staff will be present at or available for participation in all meetings held with analysts and investors. In the case of conferences or Company-hosted presentations, every effort will be made to announce publicly that the presentation will be held and to webcast the presentation.

## Responding to Rumors

So long as it is clear that the Company is not the source of a market rumor, the Company's spokespersons will respond consistently to rumors by saying, "It is our policy not to comment on market rumors or speculation." Should NASDAQ request the Company to make a definitive public statement in response to a market rumor that is causing significant volatility in the stock, the disclosure committee will consider the matter and make a recommendation to the CEO on whether to make an exception to this policy.

Rumors about the Company that are posted in Internet chat rooms are covered by this policy. Employees should not respond to rumors about the Company found in Internet chat rooms, and all rumors should be referred to designated Company spokespersons for appropriate action.

## Handling Projections That Are Identified as Forward-Looking

The Company will, from time to time, provide forward-looking information to enable the investment community to better evaluate the Company and its prospects for performance. The Company's current policy is to provide analysts and investors with earnings per share and combined ratio forecast information on an annual basis. Future forecast information may or may not include revenue projections, pricing and profit margin information, or significant new product developments. When making such forward-looking statements, the Company will use the safe harbor as prescribed in the 1995 Private Securities Litigation Reform Act.

A forward-looking statement made in the Company's written disclosures will be accompanied with meaningful cautionary language that warns investors that there is a risk the statement could change materially. In the case of oral forward-looking statements, the Company will refer to the risk factors enumerated in other readily available written documents.

## Providing Earnings Guidance to Analysts and Investors

The Company will attempt to provide in its earnings release a reasonable range of earnings estimates and underlying assumptions for the forthcoming year. It is the Company's policy to update the range of estimates should it become likely that the range will change materially. That update will be done in a widely disseminated news release. The Company may confirm its earlier guidance during the quarter so long as it has not changed materially. However, as the quarter progresses, once the Company has a clearer picture of the financial or business related results for the quarter, it will no longer comment on its previous earnings guidance without first issuing a news release providing an update for the quarter.

The Company will not comment on an analyst's estimate(s) in relation to the Company's range of estimates except to refer the analyst to what the Company has stated publicly. In the case of an analyst whose estimate is well above or below the range of current analysts' estimates, the Company may call the analyst and simply suggest that he or she look at what the Company has publicly released but not go beyond that in terms of questioning the analyst's assumptions, etc.

The Company will also provide other forms of guidance that may aid analysts and investors in making their own estimates or in making an investment decision. Such guidance may include:

- Qualitative statements about market conditions;
- Trend information that may affect the business of the Company;
- Industry-specific information;
- Qualitative statements about high-level measures such as revenues, customers, etc.;
- Estimates or forecasts of factors that may drive earnings without describing all factors that might be in the Company's internal financial forecasts; and
- Qualitative information on business measures or assumptions.

## Quiet Period

The Company will observe a quiet period commencing two weeks prior to the end of each quarter and continuing until 72 hours after earnings are publicly released. During the quiet period, though it is preferable to avoid investor meetings, the Company may choose to participate in investor phone calls, meetings or conferences, but will not discuss current operations or results of the business.

## Reviewing Analysts' Draft Models or Reports

The Company will review, upon an analyst's request, his or her earnings model or report only for factual accuracy of information that is in the public domain. The analyst, under the analyst conflict-of-interest rules in Sarbanes-Oxley, cannot provide the Company his or her recommendation or price target for the Company's stock.

### Analyst and Investor Access to Information and Company Officials

The Company will provide fair access to Company information and officials within the limits of its time and resources. All analysts and investors will at least have access to the Company's investor relations officer and department. Requests for meetings with senior management will be met as schedules permit and may be determined by such criteria as the number of shares an investor holds in the Company's securities, an analyst's or investor's knowledge of the Company and the industry or industries in which the Company operates, and how often the analyst or investor has previously met with top officials in the Company.

Under no circumstances will the Company deny an analyst or investor access to Company information or officials on the basis of a negative recommendation on the Company's stock or a decision to sell the Company's stock.

### Distributing Analysts' Reports

Under no circumstances will the Company distribute analysts' reports to the investing public. Instead, the Company will post on the investor relations section of its Web site the names and firms of analysts who are currently covering the Company.

### Providing Material Information to the Media

While the media are not covered under Reg. FD, the Company's policy is that the media will receive new material information at the same time the investment community and the public receive it. Therefore, the Company will not provide exclusive stories to the media concerning upcoming material events that have not been publicly announced.