

## **EMC INSURANCE GROUP INC. REVISES GUIDANCE AS A RESULT OF RECORD STORM LOSSES IN THE MIDWEST AND COMMENTS ON RECENT MIDWEST FLOODS**

DES MOINES, Iowa (July 3, 2008) - EMC Insurance Group Inc. (Nasdaq/NGS:EMCI) today announced that as a result of a record amount of Midwest storm losses during the second quarter, including the devastating tornado in Parkersburg, Iowa, management has revised its 2008 operating income<sup>1</sup> guidance to a range of \$1.20 to \$1.45 per share from the previous range of \$2.10 to \$2.35 per share.

Management anticipates that catastrophe and storm losses for the second quarter of 2008 will range from \$1.09 per share to \$1.17 per share after tax, compared to \$0.46 per share after tax for the second quarter of 2007. For the first six months of 2008, catastrophe and storm losses are anticipated to range from \$1.35 per share to \$1.43 per share after tax, compared to \$0.58 per share after tax for the first six months of 2007. Assuming normal storm activity for the remainder of 2008, management is now projecting that catastrophe and storms losses for calendar year 2008 will approximate 11.0% of earned premiums, compared to the previous assumption of 6.9% of earned premiums.

“The Midwest has been hit by an unusually large number of severe storms this spring,” said Bruce G. Kelley, President and CEO. “The record level of storm losses we experienced during the second quarter is not due to a concentration of exposures, but rather the sheer number of severe storms that struck the Midwest. The devastation is widespread and difficult to comprehend, but we are proud to be a part of the re-building process for our policyholders.”

“Our thoughts and prayers are also with the many victims of the numerous flood events that have recently occurred in the Midwest,” continued Kelley. “Though we have minimal exposure to flood losses from a claims perspective, we have seen firsthand the devastation created by these events. Our parent organization’s charitable foundation has committed funds to various relief efforts in Des Moines and Cedar Rapids, Iowa and management continues to evaluate how best to assist in additional relief efforts.”

Management is hosting an investor day event in New York City on July 9, 2008 at the Westin New York at Times Square. The event begins with a luncheon at 12:00 pm EDT, followed by management presentations at 1:30 pm EDT. A question and answer session will follow. A live webcast can be accessed at <http://www.investorcalendar.com/IC/CEPage.asp?ID=131867>. A direct link will also be available on the investor relations page of our website at [www.emcinsurance.com](http://www.emcinsurance.com).

EMC Insurance Group Inc., the publicly-held insurance holding company of EMC Insurance Companies, owns subsidiaries with operations in property and casualty insurance and reinsurance. EMC Insurance Companies is one of the largest property and casualty entities in Iowa and among the top 60 insurance entities nationwide based on premium volume. For more information, visit our website at [www.emcinsurance.com](http://www.emcinsurance.com).

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 our industry, interest rates or the performance of financial markets and the general economy; rating agency actions 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.

<sup>1</sup>The Company uses a non-GAAP financial measure called "operating income" that management believes is useful to investors because it illustrates the performance of our normal, ongoing operations, which is important in understanding and evaluating our financial condition and results of operations. While this measure is consistent with measures utilized by investors to evaluate performance, it is not a substitute for the U.S. GAAP financial measure of net income. Operating income differs from net income in that realized investment gains/losses, which are neither predictable nor recurring in nature, are not included in the calculation of operating income. Management also uses non-GAAP financial measures for goal setting, determining employee and senior management awards and compensation, and evaluating performance.