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**Harleysville Insurance is now part of the Nationwide
family of companies**

Nationwide Mutual Insurance Company completes Harleysville Insurance merger

Columbus, Ohio— Nationwide Mutual Insurance Company (Nationwide) has completed its previously announced agreement to combine with Harleysville Mutual Insurance Company (“Harleysville Mutual”) and Harleysville Group Inc. (NASDAQ:HGIC) (“Harleysville Group”). Now that the closing under the merger agreement has happened, Harleysville Mutual policyholders are now policyholders and members of Nationwide Mutual. Nationwide Mutual acquired all of the publicly held shares of common stock of Harleysville Group for \$60.00 per share in cash. Accordingly, Harleysville will file the required documents with the SEC to voluntarily delist Harleysville Group’s publicly traded stock from the NASDAQ. The total consideration paid to Harleysville Group’s public stockholders in the transaction is approximately \$834 million.

Harleysville is now a part of Nationwide’s P&C independent agency business unit under the Harleysville brand. In addition, Harleysville’s current headquarters in Harleysville, PA, will serve as an integral part of the combined company’s national, independent agency-based platform. Michael Browne, the former President and Chief Executive Officer of Harleysville, is now the President and Chief Operating Officer of Harleysville.

“The completion of the transaction sets Nationwide apart from the competition as a top independent agency partner in the United States,” said Nationwide Chief Executive Officer Steve Rasmussen. “At the same time, Nationwide maintains a strong commitment to our exclusive agency partners. Combined, we are able to accelerate our strategy to make it easy for agents and

customers to do business with Nationwide however they desire. Moving forward, we are committed to making strategic investments in all of our distribution channels as they all make a vital contribution in our mission to provide protection and retirement solutions for our members.”

“This merger means great things for the employees, agents and members of Nationwide, Allied and Harleysville,” said Browne. “Together, we are establishing a formidable network of independent agency companies with a national reach. In turn, the merger will help both Harleysville and our agents increase market share through a broader portfolio of insurance, financial and banking products and services to current and future policyholders.”

Approval Process

Nationwide Mutual policyholders voted to approve the merger on April 9, 2012. Harleysville Mutual policyholders and Harleysville Group stockholders voted to approve the transaction on April 24, 2012. Harleysville Mutual voted its 54 percent interest in Harleysville Group in favor of the merger. The transaction was also reviewed and approved by the Pennsylvania Insurance Department, the Ohio Department of Insurance and various other regulatory bodies.

Outside advisor information

Bank of America Merrill Lynch, Jones Day and Saul Ewing LLP advised Nationwide in connection with the transactions. Credit Suisse Securities (USA) LLC acted as financial advisor to Harleysville Mutual and Harleysville Group in connection with the transactions, Griffin Financial Group LLC provided additional financial advice to Harleysville Mutual, including a fairness opinion to Harleysville Mutual, and Keefe, Bruyette & Woods, Inc. provided additional financial advice to Harleysville Group, including a fairness opinion as to the consideration to be received by Harleysville’s public stockholders. Ballard Spahr LLP acted as legal counsel to Harleysville Mutual, and Fox Rothschild LLP acted as legal counsel to Harleysville Group. Stevens & Lee P.C. and Stradley, Ronon, Stevens & Young, LLP also provided legal advice to Harleysville Mutual.

Harleysville Stockholder Information

All shares of Harleysville Group stock held by public stockholders now have been converted into the right to receive the merger consideration of \$60.00 per share. Nationwide has retained the services of Wells Fargo Shareowner Services (who also served as Harleysville Group’s transfer

agent) to administer the exchange of outstanding Harleysville Group shares for such merger consideration. Stockholders who hold shares in an account with Wells Fargo Shareowner Services will receive a separate mailing from Wells Fargo with instructions regarding how to exchange outstanding Harleysville Group shares for merger consideration. Stockholders who hold shares in brokerage accounts will receive merger consideration through their brokers without having to take any action.

About Allied Insurance and Harleysville Insurance

Allied Insurance and Harleysville Insurance are responsible for Nationwide Mutual Insurance Company's property and casualty independent agency system. Collectively, Allied (based in Des Moines, Iowa) and Harleysville (based in Harleysville, PA) operate in 44 states. Between the two companies, they provide a full range of personalized insurance and financial services, including auto, motorcycle, boat, homeowners, farm, commercial and life insurance. Further information about the companies can be found at www.alliedinsurance.com and www.harleysvillegroup.com.

About Nationwide

Nationwide, based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the U.S. and is rated A+ by A.M. Best. The company provides a full range of personalized insurance and financial services, including auto insurance, motorcycle, boat, homeowners, life insurance, farm, commercial insurance, administrative services, annuities, mortgages, mutual funds, pensions and long-term savings plans. For more information, visit www.nationwide.com.