



**For Release:** Immediately  
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**HARLEYSVILLE GROUP INC. INCREASES QUARTERLY DIVIDEND**

HARLEYSVILLE, PA—August 8, 2006—The Board of Directors of Harleysville Group Inc. (NASDAQ: HGIC) has increased the company’s regular quarterly cash dividend to \$0.19 per share from \$0.175 per share. The dividend is payable September 29, 2006, to shareholders of record on September 15, 2006. This marks the 81st consecutive quarter Harleysville Group has paid a dividend since the company went public in 1986.

“The increase in our dividend reflects the progress we’ve made in successfully executing our strategic plan, as well as the confidence we have in our future,” commented Michael L. Browne, Harleysville Group’s president and chief executive officer. “We’re proud of the fact that during our 20 years as a public company we’ve paid our shareholders a dividend every quarter and our dividend has increased every year—both of which underscore the long-term strength and stability of the Harleysville organization.”

Harleysville Insurance is a leading regional provider of insurance products and services for small and mid-sized businesses, as well as for individuals, and ranks among the top 60 U.S. property/casualty insurance groups based on net written premiums. Harleysville Mutual Insurance Company owns 55 percent of Harleysville Group Inc. (NASDAQ: HGIC), a publicly traded holding company for nine regional property/casualty insurance companies collectively rated A- (Excellent) by A.M. Best Company. Harleysville Group is a member of the NASDAQ Global Select Market, which represents the top third of all NASDAQ-listed companies and has the highest initial listing standards of any exchange in the world based on financial and liquidity requirements. Harleysville Group has paid a dividend every quarter since the company went public, and was one of 3 percent of public companies recently recognized with a 2006 Mergent Dividend Achiever Award for its long-term history of dividend increases. Harleysville Insurance—which distributes its products exclusively through independent insurance agencies and reflects that commitment to its agency force by being a Trusted Choice<sup>®</sup> company partner—currently operates in 32 eastern and midwestern states. Further information can be found on the company’s Web site at [www.harleysvillegroup.com](http://www.harleysvillegroup.com).

To obtain investor materials, including the company’s latest annual report, Form 10-K and other corporate announcements, contact the investor relations department (215.256.5151 or [investorrelations@harleysvillegroup.com](mailto:investorrelations@harleysvillegroup.com)) or visit the company’s Web site.

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