

UNITED FIRE GROUP INC
Form DEF 14A
March 25, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials under § 240.14a-12

UNITED FIRE GROUP, INC.

(Name of registrant as specified in its charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

UNITED FIRE GROUP, INC.

118 Second Avenue SE
Cedar Rapids, Iowa 52401

April 7, 2015

Dear Fellow Shareholder:

I am pleased to invite you to join us at United Fire Group, Inc.'s 2015 Annual Meeting of Shareholders. This year's meeting will be held in the first floor conference room of our building located at 109 Second Street SE, in Cedar Rapids, Iowa. The meeting will take place on Wednesday, May 20, 2015 at 10:00 a.m. local time.

At this year's Annual Meeting, you will be asked to vote on the following proposals:

Item	Recommended Vote
1. Election of the four (4) Class C directors identified in the attached proxy statement	FOR
2. Approval of an amendment to the Company's Articles of Incorporation to provide for majority voting in uncontested director elections	FOR
3. Ratification of the Audit Committee's appointment of the Company's independent registered public accounting firm for 2015	FOR
4. Approval, on an advisory basis, of the compensation of the Company's named executive officers	FOR

Management will also report on United Fire Group, Inc.'s business and shareholders will have an opportunity to ask questions of management and Ernst & Young LLP.

Attached you will find a notice of the meeting and a proxy statement that contains additional information about the meeting and explains the methods you can use to vote your proxy, including by telephone and over the Internet.

Your vote is important. Whether or not you plan to attend the meeting, we encourage you to sign your proxy card and return it in the enclosed postage-paid envelope or vote by telephone or Internet prior to the meeting. This ensures that your shares of Company Common Stock will be represented and voted at the meeting, even if you cannot attend.

For the Board of Directors,

Jack B. Evans

Chairman of the Board

Table of Contents

PRELIMINARY COPY – SUBJECT TO COMPLETION

UNITED FIRE GROUP, INC.

118 Second Avenue SE

Cedar Rapids, Iowa 52401

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS OF

UNITED FIRE GROUP, INC.

DATE AND TIME: Wednesday, May 20, 2015, at 10:00 a.m. Central Time

United Fire Group, Inc.

PLACE: First Floor Conference Room

109 Second Street SE

Cedar Rapids, Iowa

ITEMS OF BUSINESS: At the meeting, we will ask shareholders to:

- 1) Elect the four (4) Class C directors identified in the attached proxy statement to three-year terms expiring in 2018.
- 2) Approve an amendment to our Articles of Incorporation to provide for majority voting in uncontested director elections.
- 3) Ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015.
- 4) Approve, on an advisory basis, the compensation of our named executive officers.
- 5) Vote upon such other matters as may properly come before the meeting or at any adjournment or postponement thereof.

WHO CAN VOTE: You can vote if you were a shareholder of record on March 23, 2015.

2014
ANNUAL
REPORT: On or about April 7, 2015, we will mail to our shareholders a Notice Regarding the Availability of Proxy Materials, which will indicate how to access our proxy materials on the Internet. By furnishing the Notice Regarding the Availability of Proxy Materials, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

The Board of Directors recommends that shareholders vote FOR each director nominee named in Item 1 of the attached proxy statement and FOR Items 2, 3, and 4.

By Order of the Board of Directors,

Neal R. Scharmer

Corporate Secretary

Dated at Cedar Rapids, Iowa

April 7, 2015

Your vote is important. Instructions on how to vote are contained in this proxy statement and in the Notice of Internet Availability of Proxy Materials. Please cast your vote by telephone or over the Internet as described in those materials. Alternatively, if you requested a copy of the proxy/voting instruction card by mail, you may mark, sign, date and return the proxy/voting instruction card in the envelope provided.

Table of Contents

Table of Contents

	Page
<u>Annual Meeting of Shareholders</u>	<u>2</u>
<u>Questions and Answers About the Annual Meeting</u>	<u>2</u>
<u>Delivery of One Set of Annual Meeting Materials to Shareholders in a Single Residence</u>	<u>5</u>
<u>Electronic Availability of Proxy Materials</u>	<u>5</u>
<u>Board of Directors</u>	<u>6</u>
<u>Corporate Governance</u>	<u>6</u>
<u>Board Size, Composition and Independence Determination</u>	<u>6</u>
<u>Qualifications and Skills of Directors and Director Nominees</u>	<u>6</u>
<u>Attendance at Directors' and Shareholders' Meetings</u>	<u>9</u>
<u>Director Retirement</u>	<u>9</u>
<u>Director Stock Ownership</u>	<u>9</u>
<u>Board Leadership Structure</u>	<u>9</u>
<u>Risk Oversight by the Board of Directors</u>	<u>10</u>
<u>Chief Executive Officer Performance Evaluation</u>	<u>10</u>
<u>Code of Ethics</u>	<u>11</u>
<u>Board Effectiveness Assessment</u>	<u>11</u>
<u>Director Compensation</u>	<u>11</u>
<u>Board Agendas and Meetings</u>	<u>11</u>
<u>Executive Sessions of Independent Directors</u>	<u>11</u>
<u>Access to Management and Independent Advisors</u>	<u>11</u>
<u>Committees of the Board</u>	<u>12</u>
<u>Audit Committee</u>	<u>12</u>
<u>Compensation Committee</u>	<u>13</u>
<u>Executive Committee</u>	<u>13</u>
<u>Investment Committee</u>	<u>13</u>
<u>Nominating and Governance Committee</u>	<u>14</u>
<u>Risk Management Committee</u>	<u>14</u>
<u>Director Nomination Process</u>	<u>14</u>
<u>Communicating with the Board of Directors</u>	<u>15</u>
<u>Concerns and Complaints</u>	<u>15</u>
<u>Shareholder Proposals and Director Nominations</u>	<u>15</u>
<u>Proposal One – Election of Directors</u>	<u>16</u>
<u>Director Nominees</u>	<u>16</u>
<u>Vote Required and Board Recommendation</u>	<u>18</u>
<u>Continuing Directors Not Up for Election</u>	<u>19</u>
<u>Proposal Two – Approval of an Amendment to the Company's Articles of Incorporation to Provide for Majority Voting in Uncontested Director Elections</u>	<u>24</u>
<u>Description of the Proposal</u>	<u>24</u>
<u>Reason for the Proposal</u>	<u>24</u>
<u>Vote Required and Board Recommendation</u>	<u>25</u>
<u>Proposal Three – Ratification of the Audit Committee's Appointment of Independent Registered Public Accounting Firm</u>	<u>25</u>
<u>Information About Our Independent Registered Public Accounting Firm</u>	<u>25</u>
<u>Fees Billed to United Fire Group, Inc. During 2014 and 2013</u>	<u>25</u>
<u>Audit Committee Pre-Approval</u>	<u>26</u>

Table of Contents

Table of Contents – Cont.

	Page
<u>Vote Required and Board Recommendation</u>	<u>26</u>
<u>Report of the Audit Committee</u>	<u>27</u>
<u>Proposal Four – Shareholder Advisory Vote to Approve the Compensation of the Company’s Named Executive Officers</u>	<u>28</u>
<u>Say-on-Pay Advisory Vote</u>	<u>28</u>
<u>Vote Required and Board Recommendation</u>	<u>28</u>
<u>Security Ownership of Certain Beneficial Owners</u>	<u>29</u>
<u>Security Ownership of Management</u>	<u>30</u>
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	<u>31</u>
<u>Equity Compensation Plan Information – 2014</u>	<u>32</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>33</u>
<u>Executive Compensation</u>	<u>33</u>
<u>Compensation Discussion and Analysis</u>	<u>33</u>
<u>Executive Overview</u>	<u>33</u>
<u>Consideration of Say-on-Pay Results</u>	<u>34</u>
<u>Our Named Executive Officers</u>	<u>34</u>
<u>Compensation and Benefits Philosophy</u>	<u>34</u>
<u>Risk Considerations</u>	<u>37</u>
<u>Elements of Compensation</u>	<u>38</u>
<u>Base Salary Compared to Market Consensus – 2014</u>	<u>40</u>
<u>Annual Incentive Plan – 2014</u>	<u>41</u>
<u>The Annual Compensation Process</u>	<u>43</u>
<u>Named Executive Officers as Shareholders</u>	<u>44</u>
<u>Report of the Compensation Committee</u>	<u>45</u>
<u>Summary Compensation Table – 2014</u>	<u>46</u>
<u>Grants of Plan-Based Awards</u>	<u>47</u>
<u>Grants of Plan-Based Awards – 2014</u>	<u>48</u>
<u>Outstanding Equity Awards at Fiscal Year-End – 2014</u>	<u>50</u>
<u>Option Exercises and Stock Award Vesting</u>	<u>51</u>
<u>Option Exercises and Stock Award Vesting – 2014</u>	<u>51</u>
<u>Pension Benefits</u>	<u>52</u>
<u>Pension Benefits – 2014</u>	<u>52</u>
<u>Nonqualified Deferred Compensation</u>	<u>53</u>
<u>Nonqualified Deferred Compensation – 2014</u>	<u>54</u>
<u>Potential Payments upon Termination or Change in Control</u>	<u>55</u>
<u>Potential Payments upon Termination or Change in Control – 2014</u>	<u>56</u>
<u>Director Compensation</u>	<u>58</u>
<u>Non-Employee Director Compensation – 2014</u>	<u>59</u>
<u>Transactions with Related Persons</u>	<u>60</u>
<u>Other Matters</u>	<u>61</u>
<u>Appendix A – Proposed Amendment to the Articles of Incorporation of United Fire Group, Inc.</u>	<u>A-1</u>

Table of Contents

PRELIMINARY PROXY STATEMENT DATED MARCH 25, 2015 – SUBJECT TO COMPLETION

UNITED FIRE GROUP, INC.

118 Second Avenue SE

Cedar Rapids, Iowa 52401

PROXY STATEMENT FOR THE

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 20, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 20, 2015:

This Proxy Statement and the 2014 Annual Report to Shareholders are available at

<http://ir.unitedfiregroup.com/annual-proxy.cfm>.

This solicitation of proxies is made by the Board of Directors of United Fire Group, Inc. (the “Company,” “we,” “us,” or “our,” as the context requires). Proxies will be used at the Annual Meeting of Shareholders of United Fire Group, Inc. (the “Annual Meeting”), an Iowa corporation, to be held on May 20, 2015 at 10:00 a.m. Central Time, and at any adjournment or postponement thereof. This year’s meeting will be held in the first floor conference room of our building located at 109 Second Street SE, in Cedar Rapids, Iowa. With respect to shares of our \$0.001 par value common stock (“Company Common Stock”) held in the United Fire Group, Inc. Employee Stock Ownership Plan (the “ESOP”) and the United Fire Group, Inc. 401(k) Plan (the “401(k) Plan”), the Board of Directors is soliciting participants on behalf of the Trustees of those plans to direct the Trustees as to how to vote the shares held in those plans.

Under rules adopted by the Securities and Exchange Commission (“SEC”), the Company has chosen to provide its shareholders with the choice of accessing the Annual Meeting proxy materials on the Internet, rather than receiving printed copies of those materials through the mail. In connection with this process, a Notice Regarding the Availability of Proxy Materials (the “Notice”) is being mailed to the Company’s shareholders who have not previously requested electronic access to its proxy materials or printed proxy materials. The Notice contains instructions on how you may access and review the Company’s proxy materials on the Internet and how you may vote your shares over the Internet. The Notice will also tell you how to request the Company’s proxy materials, in either printed form or by email, at no charge. The Notice contains a control number that you will need to vote your shares. Please keep the Notice for your reference through the meeting date.

The Company anticipates that the Notice will be mailed to shareholders and participants in the ESOP and 401(k) Plan beginning on or about April 7, 2015.

We will solicit proxies principally by mail, but our directors and employees may also solicit proxies by telephone, facsimile, or e-mail. Our directors and employees may also conduct personal solicitations. Our directors and employees will not receive any additional compensation in connection with their solicitation efforts.

Table of Contents

ANNUAL MEETING OF SHAREHOLDERS

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will act upon the matters listed in the attached Notice of 2015 Annual Meeting of Shareholders, including (i) the election of the four (4) Class C directors identified in this proxy statement to serve three-year terms expiring in 2018, (ii) the approval of an amendment to United Fire Group, Inc.'s Articles of Incorporation ("Articles of Incorporation") to provide for majority voting in uncontested director elections, (iii) the ratification of the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015, and (iv) the approval, on an advisory basis, of the compensation of our named executive officers. Our management will report on our performance during fiscal year 2014. Representatives of Ernst & Young LLP will be present at the meeting, will have the opportunity to make a statement if they choose to, and will be available to respond to appropriate shareholder questions.

Who may attend the Annual Meeting?

All shareholders of record as of March 23, 2015 or their duly appointed proxies may attend the Annual Meeting. Although we encourage you to complete and return the enclosed proxy card by mail, or to vote by telephone or over the Internet to ensure your vote is counted, you may attend the Annual Meeting and vote your shares in person.

Who is entitled to vote at the Annual Meeting?

Shareholders of Record

If your shares are registered in your name with Computershare Trust Company, N.A. our dividend agent, transfer agent and registrar, you are considered a shareholder of record. Shareholders of record at the close of business on March 23, 2015 are entitled to receive notice of and to vote at the Annual Meeting or at any postponement or adjournment thereof. At the close of business on March 23, 2015, there were 24,998,528 shares of Company Common Stock issued and outstanding. Each share of Company Common Stock entitles its record holder to one vote.

Brokerage and Other Account Holders

If your shares are held in a brokerage account or by a bank or other nominee, your name does not appear anywhere in the Company's shareholder records. Instead, the "street name" of your broker, bank or other nominee who holds the shares for you appears on our records and you are the beneficial owner of the shares. Access to our proxy materials is being forwarded to you by your brokerage firm, bank or other nominee. As the beneficial owner, you have the right to direct your brokerage firm, bank or other nominee how to vote your beneficial shares by filling out and returning the voting instruction form provided to you. Telephone and Internet voting options may also be available to beneficial owners. As a beneficial owner, you are invited to attend the Annual Meeting, but you must obtain a legal proxy from the record holder of your shares in order to vote in person at the Annual Meeting.

ESOP and 401(k) Plan Participants

If you are a participant in either our ESOP or our 401(k) Plan, your proxy card shows the number of shares of Company Common Stock held for your benefit in those plans, plus any other shares you may own. If you hold stock through either plan, voting your proxy also serves as confidential voting instructions to the Trustees of the ESOP (Timothy G. Spain and Michael T. Wilkins) and/or to the Trustee of the 401(k) Plan (Charles Schwab & Co.). Those Trustees will vote your shares in accordance with the specific voting instructions that you indicate on your proxy card. If you provide no specific voting instructions, the Trustees of the ESOP will vote your shares in their discretion, and the Trustee of the 401(k) Plan will vote your shares in proportion to the voting instructions it receives from those plan participants who do submit voting instructions.

Table of Contents

What constitutes a quorum for the Annual Meeting?

The presence at the Annual Meeting of a majority of the outstanding shares (50.0 percent plus one share) of Company Common Stock represented either in person or by proxy will constitute a quorum for the transaction of business at the meeting. Based on the number of shares outstanding on March 23, 2015, 12,499,265 shares of Company Common Stock, represented in person or by proxy, will constitute a quorum for conducting business at the Annual Meeting. Abstentions and broker non-votes will each be counted as present for purposes of determining the existence of a quorum at the Annual Meeting.

A “broker non-vote” occurs when a broker lacks discretionary voting power to vote on a “non-routine” proposal and a beneficial owner fails to give the broker voting instructions on that matter. The election of directors is not considered a “routine” matter. Similarly, the proposal to approve the amendment to our Articles of Incorporation and the advisory vote to approve executive compensation are not considered “routine” matters. Therefore, beneficial owners that hold their shares in “street name” will have to give voting instructions to their brokers in order for a broker to vote on the election of directors, the approval of the amendment to our Articles of Incorporation and the advisory vote to approve executive compensation. The ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for fiscal year 2015 is considered a “routine” matter, and brokers have the discretionary voting power to vote on this matter without any instructions from the beneficial owners.

How do I vote my shares?

You may vote in the following ways:

In person: We will distribute paper ballots to anyone who wishes to vote in person at the Annual Meeting. However, if you hold your shares in street name, you must request a legal proxy from your broker and bring it to the meeting in order to vote in person at the Annual Meeting.

By mail: Complete and sign your proxy card and return it by mail in the enclosed business reply envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct. If an additional proposal comes up for a vote at the Annual Meeting that is not on the proxy card, your shares will be voted in the best judgment of the authorized proxies, Jack B. Evans and Neal R. Scharmer.

If you sign and return your proxy card without marking voting instructions, your shares will be voted FOR the election of each of the director nominees identified in this proxy statement, FOR the approval of the amendment to our Articles of Incorporation to provide for majority voting in uncontested director elections, FOR the ratification of the Audit Committee’s appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015, and FOR approval, on an advisory basis, of the resolution regarding the compensation of our named executive officers.

By telephone: To vote your shares by telephone, call the toll-free telephone number on your proxy card. You must have a touch-tone or cellular telephone to use this voting method. You will need to follow the instructions on your proxy card and the voice prompts to vote your shares.

Over the Internet: If you have Internet access available to you, you may go to the website listed on your proxy card to vote your shares over the Internet. You will need to follow the instructions on your proxy card and the website to vote your shares.

Telephone and Internet voting options are available 24 hours a day, seven days a week. When prompted, you will need to enter the control number shown on your proxy card. You will then be able to vote your shares and confirm that your instructions have been properly recorded. If you vote by telephone or over the Internet, your electronic vote authorizes the proxies in the same manner as if you had signed, dated and returned your proxy card by mail.

Telephone and Internet voting procedures, including the use of control numbers found on the proxy cards, are designed to authenticate shareholders’ identities, to allow shareholders to vote their shares securely and to confirm that their instructions have been properly recorded. If you vote by telephone or over the Internet, you do not need to return your proxy card.

Table of Contents

If you hold your shares in street name, you may vote by telephone or over the Internet only if your bank, broker or other nominee makes those methods available to you, in which case your bank, broker or other nominee will enclose specific instructions for using those options along with this proxy statement.

If I hold my shares in a brokerage account and do not return voting instructions, will my shares be voted?

If your shares are held in a brokerage account or by a bank or other nominee, your broker, bank or other nominee will ask you how you want your shares to be voted. If you provide voting instructions, your shares must be voted as you direct. If you do not furnish voting instructions, one of two things can happen, depending upon whether a proposal is “routine.” Under the rules that govern brokers who have record ownership of shares beneficially owned by their clients, brokers have discretion to cast votes on routine matters, such as the ratification of the choice of auditor, without receiving voting instructions from their clients. Brokers are not permitted, however, to cast votes on “non-routine” matters, such as the election of directors, amendments to our Articles of Incorporation or executive compensation matters, without receiving client voting instructions. A “broker non-vote” occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting authority for that proposal and has not received voting instructions from the beneficial owner. The proposal to approve the ratification of the Audit Committee’s appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015 is the only routine matter being voted on at the Annual Meeting and, therefore, is the only proposal that may be voted by your broker, bank or other nominee in its discretion without having received voting instructions from you.

Can I revoke my proxy or change my vote after I return my proxy?

Yes. Even after you submit a proxy, you may revoke your proxy or change your vote at any time before the proxy is exercised by:

• delivering written notice to our transfer agent, Computershare Trust Company, N.A., at its proxy tabulation center located at 211 Quality Circle, Suite 210, College Station, TX 77845;

• delivering written notice to the Corporate Secretary of United Fire Group, Inc. at P.O. Box 73909, Cedar Rapids, Iowa 52407-3909;

• executing and delivering a later-dated proxy; or

• appearing and voting in person at the Annual Meeting. Attendance at the Annual Meeting will not, by itself, revoke a previously granted proxy.

If you hold your shares in street name, you may contact your bank, broker or other nominee for instructions as to how to revoke or change your vote.

Who pays for this proxy solicitation?

United Fire Group, Inc. will pay the total expense of this solicitation of proxies. Expenses may include reimbursement to brokerage firms and others of their cost for forwarding solicitation materials to beneficial owners.

Does United Fire Group, Inc. deliver proxy materials electronically?

Yes. In accordance with the SEC’s “Notice and Access” rules, United Fire Group, Inc. mailed a Notice of Internet Availability of Proxy Materials (the “Notice”) to shareholders on or about April 7, 2015. The Notice describes the matters to be considered at the Annual Meeting and how shareholders may access the proxy materials over the Internet. It also provides instructions on how shareholders may vote their shares. If you received the Notice, you will not receive a printed version of the proxy materials unless you request one. If you would like to receive a printed version of the proxy materials, free of charge, please follow the instructions in the Notice.

Table of Contents

What are the benefits of electronic delivery?

Electronic delivery reduces United Fire Group, Inc.'s printing and mailing costs as well as the environmental impact of the Annual Meeting. It is also a convenient way for you to receive your proxy materials and makes it easy to vote your shares over the Internet.

How may I obtain copies of United Fire Group, Inc.'s corporate governance documents?

The following documents are available free of charge to any shareholder who requests them by writing to United Fire Group, Inc., Attn: Investor Relations, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909, or on our public website, www.unitedfiregroup.com, by selecting Investor Relations and then Corporate Governance.

▲ Anti-Hedging Policy

● Code of Ethics and Business Conduct

● Corporate Governance Guidelines

● Committee Charters – Audit Committee, Compensation Committee, Executive Committee, Investment Committee, Nominating and Governance Committee and Risk Management Committee

In addition, copies of our Articles of Incorporation and Bylaws are available free of charge to any shareholder who requests them by writing to United Fire Group, Inc., Attn: Investor Relations, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909.

DELIVERY OF ONE SET OF ANNUAL MEETING MATERIALS TO SHAREHOLDERS IN A SINGLE RESIDENCE

Securities and Exchange Commission (“SEC”) rules permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and annual reports to shareholders with respect to two or more shareholders sharing the same address by delivering a single proxy statement and annual report to shareholders addressed to those shareholders. This process, commonly referred to as “householding,” provides cost savings for companies. We and some brokers household proxy materials and annual reports to shareholders unless contrary instructions have been received from the affected shareholders. Once you have received notice from us, your broker, or other designated intermediary that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate printed proxy statement and annual report to shareholders, notify us by calling our transfer agent at (877) 373-6374, or submit a written request to: Computershare Trust Company, N.A., 211 Quality Circle, Suite 210, College Station, TX 77845. Shareholders who currently receive multiple copies of their Annual Meeting materials and would like to request householding should submit a written request to: Computershare Trust Company, N.A. at the address above. Please include the Company's name, United Fire Group, Inc., and your account number(s) in any correspondence regarding householding. Street name shareholders wishing to cancel or request householding of their Annual Meeting materials should contact their brokers directly.

ELECTRONIC AVAILABILITY OF PROXY MATERIALS

Electronic versions of our annual proxy statement and 2014 Annual Report to Shareholders are available on our public website, www.unitedfiregroup.com by selecting Investor Relations and then Financial Information and then Annual Report and Proxy.

Table of Contents

BOARD OF DIRECTORS

Our Board of Directors currently consists of fourteen (14) directors: John-Paul E. Besong, Scott L. Carlton, Christopher R. Drahozal, Jack B. Evans (Chairman), Douglas M. Hultquist, Casey D. Mahon, George D. Milligan, James W. Noyce, Michael W. Phillips, Mary K. Quass, Randy A. Ramlo, John A. Rife, Kyle D. Skogman and Susan E. Voss.

CORPORATE GOVERNANCE

In order to promote the highest standards of management for the benefit of shareholders, our Board of Directors follows certain governance practices regarding how the Board of Directors conducts its business and fulfills its duties. United Fire Group, Inc.'s Corporate Governance Guidelines may be obtained free of charge by writing to United Fire Group, Inc., Attn: Investor Relations, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909, or on our public website, www.unitedfiregroup.com by selecting Investor Relations, then Corporate Governance and then Corporate Governance Guidelines. Among the governance practices used by the Board of Directors are:

Board Size, Composition and Independence Determination

Due to the retirement of John A. Rife, our Board of Directors has determined that following the Annual Meeting the Board of Directors shall consist of thirteen (13) members. Mr. Rife has served on the Board since 1998 and been associated with our Company since 1976. The Board of Directors and management would like to take this opportunity to thank Mr. Rife for his many years of distinguished service to our Company.

The Board of Directors requires a majority of our directors to be independent, as defined in the listing rules of The NASDAQ Global Select Market ("NASDAQ"). The Board of Directors determines director independence by applying the definition of independence contained in the applicable NASDAQ Listing Rules, both for purposes of NASDAQ's rule requiring that a majority of the Board of Directors consist of independent directors and its rules requiring the Audit Committee, Nominating and Governance Committee and Compensation Committee to be made up entirely of independent directors.

The Board of Directors has analyzed the independence of each director and director nominee and determined that thirteen (13) of our fourteen (14) directors are independent. The following directors are independent within the meaning of the NASDAQ Listing Rules, and each is free of any relationship that would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director: Ms. Mahon, Ms. Quass, Ms. Voss and Messrs. Besong, Carlton, Drahozal, Evans, Hultquist, Milligan, Noyce, Phillips, Rife and Skogman. Mr. Ramlo is not independent due to his employment by our Company.

In determining that Mr. Hultquist is independent, the Board considered that the Company maintains a relationship with Cedar Rapids Bank & Trust, a subsidiary of QCR Holdings, Inc., for which Mr. Hultquist serves as President, Chief Executive Officer and a director. The details of this relationship are described more fully under Transactions with Related Persons.

In determining that Mr. Skogman is independent, the Board considered that the Company maintains a relationship with an insurance agency in which Mr. Skogman is a 25 percent owner. The services provided by us to this agency were in the ordinary course of business on substantially the same terms and conditions as those prevailing at the time for comparable transactions with other customers. The value of the services provided by us to this agency represented an immaterial amount to each party and did not rise to the level requiring formal review and approval by the Board of Directors under its written policy regarding related party transactions. We expect to continue providing services to this agency in the future.

Qualifications and Skills of Directors and Director Nominees

Our Nominating and Governance Committee, with input from our Chief Executive Officer, reviews and evaluates all director nominees, including incumbents. The Nominating and Governance Committee and the Board of Directors

Table of Contents

seek qualified individuals who possess the minimum qualifications and the desirable qualities or skills described under Director Nomination Process found on page 14 of this proxy statement.

All of our incumbent directors possess both the specific minimum qualifications and the desirable qualities or skills. Our directors are a diverse group with three women and one African-American serving on our Board of Directors. The following charts reflect the diversity of our Board of Directors and the qualifications of each of the directors. The specific expertise and qualifications that led to each director's inclusion on our Board of Directors are also discussed in each director's individual biography beginning on page 16 of this proxy statement.

7

Table of Contents

Summary of Director Diversity, Qualifications and Experience

Experience in Academia and Education is important because the disciplines of management, organization and research are relevant to our business.								X		X				
Experience as head of an Accounting Department is important in understanding and evaluating our financial statements, managing our capital structure, and interacting with our independent public accounting firm.								X		X		X		
Actuarial experience gives our directors a strong understanding of reserving, which is very important to our business, and in analyzing actuarial reports.												X	X	
Experience as a senior administrator or head of a business is important for our directors in understanding our company, managing human resources, and identifying and developing talent.	X	X		X	X	X	X	X	X	X		X	X	X
Experience with business operations helps our directors understand, develop, and assess our operating and business strategies.	X	X		X	X	X	X	X	X	X		X	X	X
Corporate governance experience supports our goals of having strong Board and management accountability, transparency and protection of shareholder interests.	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Finance/capital allocation expertise is important in evaluating our financial statements and capital structure.									X	X		X	X	
The ability to read and understand financial statements is important because it assists directors in understanding and overseeing our financial reporting and internal controls.	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Insurance industry experience is important in understanding and reviewing our business and strategy.									X	X	X		X	X
Investment experience is important for our directors to be able to evaluate and review our investments, set investment policy, and understand our financial statements.									X	X			X	
Marketing experience is important for our directors to be able to evaluate new market strategies and branding of our products.												X	X	X
Regulatory/government experience enhances our directors' ability to understand our highly regulated industry.														X
Risk Management experience is necessary to understand and manage the risks that our company faces.								X		X		X	X	
Technology and Systems experience is important, as our business is dependent upon technology and faces the same cyber threats faced by all companies.	X													

Table of Contents

Our non-employee directors provide an effective mix of experience, fresh perspective and diversity, as shown on the following charts.

	45-50	51-60	61-70	71+	
Age at December 31, 2014	2	5	5	1	
	0 - 5	6-10	11-15	15-20	20+
Years of Service as a Director through May 2015	4	2	1	5	1
Male Directors:	10				
Female Directors:	3				

Attendance at Directors' and Shareholders' Meetings

The full Board of Directors met four (4) times during 2014. All of the directors attended 75 percent or more of the aggregate number of meetings of the Board of Directors and the committees on which they served. Our Corporate Governance Guidelines require directors to attend our Annual Meeting. All directors serving at the time of the 2014 Annual Meeting attended that meeting.

Director Retirement

According to our Bylaws, each director must submit his or her resignation from the Board of Directors no later than the first day of February after he or she reaches age 72, and such resignation must be effective no later than the next Annual Meeting. In accordance with this policy, on February 1, 2015, John A. Rife submitted his resignation as a director effective May 19, 2015.

Director Stock Ownership

We believe that non-employee directors should own and hold Company Common Stock to further align their interests and actions with the interests of our shareholders. Our Articles of Incorporation require that all of our directors own shares of Company Common Stock. The Board of Directors has adopted stock ownership guidelines indicating that each non-employee director should beneficially own at least 100 shares of Company Common Stock when he or she joins the Board of Directors and at least 5,000 shares of Company Common Stock within five years of first being elected to the Board of Directors. Current beneficial stock ownership for each director can be found in the table on page 30 of this proxy statement.

Board Leadership Structure

Our Board of Directors is led by an independent Chairman who is responsible for providing guidance to our Chief Executive Officer, setting the agenda for Board meetings and presiding at all shareholder and director meetings. We also have an independent Vice Chairman who is responsible for presiding in the Chairman's absence. Neither our Chairman nor our Vice Chairman serves as our Chief Executive Officer. Our Chief Executive Officer is responsible for setting the strategic direction for our Company and providing day-to-day leadership. We separate the roles of Chairman and Chief Executive Officer. We feel that this is the most appropriate leadership structure for our Board of Directors and executive management at this time because we recognize the difference between the two roles and the skill sets required to most effectively and efficiently perform these functions. Our Board of Directors does not have a formal policy requiring the positions of Chairman and Chief Executive Officer to be separate, preferring instead to preserve the freedom to decide from time to time what is in the best interest of our Company. Our Board of Directors strongly endorses the concept of an independent director being in a position to lead our independent directors. If at any time neither our Chairman nor our Vice Chairman is an independent director, the independent directors serving at that time will elect an independent director to serve as lead director.

Table of Contents

During 2014, the Board of Directors had six (6) standing committees: Audit Committee, Compensation Committee, Executive Committee, Investment Committee, Nominating and Governance Committee and Risk Management Committee. Only independent directors may serve on the Audit Committee, Compensation Committee and Nominating and Governance Committee. Each committee is governed by a written charter that is reviewed and approved annually by the committee, the Nominating and Governance Committee, and the full Board of Directors. All committee charters are available for review either on our public website, www.unitedfiregroup.com by selecting Investor Relations and then Corporate Governance, or in paper form upon written request to: United Fire Group, Inc., Attn: Investor Relations, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909.

Risk Oversight by the Board of Directors

The Risk Management Committee's charter requires it to assist the Board of Directors in identifying and evaluating risks inherent in our business and to oversee and review the significant policies, procedures, and practices employed to manage risks.

Enterprise Risk Management ("ERM") is a methodology that helps us assess and manage our overall exposure to risk. In addition to our Risk Management Committee, we have an executive enterprise risk management committee ("executive ERM committee") that consists of our Chief Executive Officer, Chief Financial Officer, Executive Vice President, Vice President of Claims, Vice President of Corporate Underwriting, Chief Investment Officer, Supervisor of Audit Services, the Chief Operating Officer of our life insurance subsidiary (United Life Insurance Company), and United Life Insurance Company's independent actuary.

The executive ERM committee meets independently of the Risk Management Committee, with representatives from the Risk Management Committee in attendance. Members of the executive ERM committee are invited to attend and participate in meetings of the Risk Management Committee. During 2014, the executive ERM committee met on a quarterly basis to implement risk management strategies. During its meetings, the executive ERM committee discusses the risks that our Company faces and the controls that are in place to mitigate those risks, and identifies potential additional risks.

Collectively, the Risk Management Committee and the executive ERM committee have identified two broad categories of risk faced by our Company – insurance risk and operational risk. We employ a multi-disciplinary approach to risk identification and evaluation, analyzing risk from the point of view of claims, underwriting, finance, and investments. Types of insurance risks generally include, but are not limited to, those risks associated with catastrophes, loss reserving practices, underwriting practices, policy pricing, geographical concentrations of property insured, competition and business mix. Types of operational risks we face generally include, but are not limited to, those risks associated with the diversification and quality of our investments, information technology, regulatory and legal compliance, business continuity planning, executive succession planning and the application of accounting policies and procedures.

ERM issues are also discussed during quarterly meetings of our full Board of Directors, where directors are updated on ERM issues and the ongoing efforts of the executive ERM committee and our Risk Management Committee. The work of our executive ERM committee, in conjunction with the Risk Management Committee and the Board of Directors, has led to the development of new tools, such as the CATography Underwriter™ tool, designed to aid in the evaluation and mitigation of our Company's business risks.

In addition, certain Board committees oversee risk within their respective areas of responsibility. For example, the audit committee has been delegated with primary oversight of financial, accounting and securities related risk, and the compensation committee oversees the risks associated with the Company's compensation policies and practices, including conducting an annual risk assessment of such policies and practices. Together with the audit committee, the compensation committee has concluded that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Table of Contents

Chief Executive Officer Performance Evaluation

Representatives of the Executive Committee and Compensation Committee meet each year with our Chief Executive Officer to review his goals for the current year. During the year, the Executive Committee meets regularly with our Chief Executive Officer to review his performance. The Executive Committee and the Chair of the Compensation Committee annually review the performance of our Chief Executive Officer and assess his performance for that year. The Chief Executive Officer also meets with the Compensation Committee, which considers his performance for the year.

Code of Ethics

Our Board of Directors has adopted a Code of Ethics and Business Conduct that applies to all of our officers, directors, and employees. United Fire Group, Inc.'s Code of Ethics and Business Conduct may be obtained free of charge by writing to United Fire Group, Inc., Attn: Investor Relations, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909, or on our public website, www.unitedfiregroup.com by selecting Investor Relations, then Corporate Governance and then Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct sets forth certain expectations of business conduct and identifies various violations of the code and establishes procedures regarding the reporting of such violations.

Board Effectiveness Assessment

Our Nominating and Governance Committee conducts an annual survey of the directors to assess the effectiveness of our Board of Directors. The Nominating and Governance Committee reviews and considers the results of the survey, reports its findings to the Board of Directors and addresses any areas of concern. That committee also makes recommendations to the Board of Directors regarding our corporate governance practices. All standing committees of our Board of Directors also conduct annual self-assessments and report such self-assessments to the Board of Directors.

Director Compensation

We have designed the compensation of our non-employee directors to attract and retain qualified directors and to align directors' interests with the interests of our shareholders. See pages 58-60 of this proxy statement for a description of our directors' compensation program and the fees paid to our non-employee directors during 2014.

Board Agendas and Meetings

Each year the Board of Directors establishes the dates of regularly scheduled meetings of the Board of Directors. The Chairman of the Board, working with our Chief Executive Officer and Committee Chairpersons, establishes agendas for each meeting of the Board of Directors and distributes the agendas in advance of each meeting. Each director may suggest agenda items, and each director is free to raise subjects at any meeting of the Board of Directors that are not on the agenda for that meeting. At each regular meeting of the Board of Directors, the Board receives reports of each of the Committees.

Executive Sessions of Independent Directors

The independent directors meet in executive session following each meeting of the Board of Directors. The Chairman of the Board presides at meetings of the independent directors. These sessions allow the independent directors to discuss topics without management present.

Access to Management and Independent Advisers

The independent directors have access to management and, as necessary and appropriate, to independent advisers.

Table of Contents

COMMITTEES OF THE BOARD

The current membership of six (6) standing committees of the Board of Directors is shown in the following table:

Director Name	Audit Committee	Compensation Committee	Executive Committee	Investment Committee	Nominating and Governance Committee	Risk Management Committee
Jack B. Evans, Chairman (I)						
John A. Rife, Vice Chairman (I)						
John-Paul E. Besong (I)						
Scott L. Carlton (I)						
Christopher R. Drahozal (I)						
Douglas M. Hultquist (I)						
Casey D. Mahon (I)						
George D. Milligan (I)						
James W. Noyce (I)						
Michael W. Phillips (I)						
Mary K. Quass (I)						
Randy A. Ramlo						
Kyle D. Skogman (I)						
Susan E. Voss (I)						

Audit Committee Financial Expert Committee Chairperson (I) Independent Director Committee Member
Audit Committee

We have a separately designated standing Audit Committee, as defined in Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee is governed by a charter which requires that each member of the Audit Committee be an independent director. All of the members of the Audit Committee are independent under the NASDAQ Listing Rules, applicable law, and the applicable rules and regulations of the SEC, including Section 10A(m)(3) of the Exchange Act. The Board of Directors has determined that Messrs. Carlton and Noyce each possess the skills necessary to qualify as audit committee financial experts as defined by Item 407(d)(5) of Regulation S-K under the Exchange Act.

The Audit Committee is directly responsible for the appointment, compensation and retention (or termination) of our independent registered public accounting firm. The Audit Committee is also responsible for oversight of our internal audit function. The Audit Committee seeks to maintain free and open communications between the directors, the independent registered public accounting firm, the internal auditor and management. Its duties consist of reviewing recommendations by the internal auditor and the independent registered public accounting firm on accounting matters and internal controls; advising the Board of Directors on the scope of audits; reviewing our annual Consolidated Financial Statements and the accounting standards and principles followed; appointing the independent registered public accounting firm; and, if necessary, conducting independent inquiries. The Audit Committee met five (5) times during 2014, including one (1) time in a joint session with the Risk Management Committee and one (1) continuing education meeting.

Table of Contents

Compensation Committee

We have a separately designated standing Compensation Committee. The Compensation Committee is governed by a charter which requires that each member of the Compensation Committee be an independent director. The Board of Directors has determined that each member of our Compensation Committee is independent under the NASDAQ Listing Rules, applicable law, and the applicable rules and regulations of the SEC, including Section 10C(a) of the Exchange Act. No Compensation Committee member was an employee or former employee of our Company, its subsidiaries or affiliates. With the exception of compensation for his or her service on the Board of Directors, no Compensation Committee member received any consulting, advisory, or other compensatory fee from us. No Compensation Committee member had any relationship requiring disclosure under the Transactions with Related Persons section on page 60 of this proxy statement. No Compensation Committee member had any relationship that, in the opinion of the directors, would interfere with his or her exercise of independent judgment as a member of the committee.

Compensation Committee Interlocks and Insider Participation

During 2014, none of our executive officers served on the Compensation Committee (or its equivalent) or Board of Directors of another entity whose executive officer(s) served on our Compensation Committee.

Responsibilities and Authority

The role of the Compensation Committee is to address the Board of Directors' responsibilities relating to compensation of our senior executive officers and directors. The Compensation Committee oversees all aspects of the compensation of our executive officers and directors, including our director and management equity plans and deferred compensation plans, and other management incentive compensation programs. In overseeing those plans, the Compensation Committee may delegate authority to Company officers for day-to-day plan administration and interpretation. Management provides information to assist the committee regarding participation and award levels in the management plans. The Compensation Committee may not delegate authority for matters affecting the executive officers. The Compensation Committee's primary processes with respect to compensation of our senior executive officers can be found in the Compensation Discussion and Analysis section beginning on page 33 of this proxy statement. During 2014, the Compensation Committee engaged the services of Compensation Resources, Inc. as its independent outside compensation consultant to provide advice on executive and director compensation matters. For a discussion of the specific services provided by Compensation Resources, Inc., see the Compensation Discussion and Analysis section beginning on page 33 of this proxy statement. The Compensation Committee met four (4) times during 2014.

Executive Committee

The Executive Committee meets during the intervals between Board of Directors' meetings and has the right and authority to exercise the full powers of our Board of Directors, except where limited by law, or where responsibility and authority is reserved to the Board of Directors or vested in another Committee of the Board of Directors. This committee also meets regularly with our Chief Executive Officer, participates with management in the development of our strategic initiatives, and monitors the implementation of these initiatives. In addition, the Executive Committee provides regular advice and counsel to management. The Executive Committee met four (4) times during 2014.

Investment Committee

The Investment Committee develops and oversees the Investment Policies and Acquisition/Holding Investment Practices of United Life Insurance Company and the property and casualty subsidiaries of United Fire Group, Inc. In addition, it reviews the Company's investments and the quality and performance of, and the risks related to, the Company's investment portfolios. The Investment Committee meets regularly with our Chief Investment Officer and his staff. The Investment Committee met four (4) times during 2014.

Table of Contents

Nominating and Governance Committee

The Nominating and Governance Committee is governed by a charter which requires that each member of the Nominating and Governance Committee be an independent director, as defined in the NASDAQ Listing Rules, and that each member be free from any relationship that, in the opinion of the Board of Directors, would interfere with his or her exercise of independent judgment.

The Nominating and Governance Committee is responsible for reviewing all director nominees, including incumbents, and making recommendations of nominees to the entire Board of Directors. The committee is also responsible for assessing and reporting on nominee qualifications, making assessments of director independence, identifying and reviewing related person transactions, and other matters, including director education and succession planning. The Nominating and Governance Committee met four (4) times during 2014.

Risk Management Committee

For a description of responsibilities and activities of the Risk Management Committee, see Risk Oversight by the Board of Directors on page 10 of this proxy statement. During 2014, the Risk Management Committee met four (4) times as a committee, including one (1) time in a joint session with the Audit Committee, as we believe that both committees should be involved in addressing our Company's risks.

DIRECTOR NOMINATION PROCESS

The Nominating and Governance Committee has adopted a written policy with regard to the consideration of director candidates, including candidates recommended by shareholders. The Nominating and Governance Committee evaluates candidates recommended by shareholders in the same manner as it evaluates other candidates. The committee seeks candidates with the following minimum qualifications:

• Each candidate must be prepared to represent the best interests of all of our shareholders and not just one particular constituency.

• Each candidate must be an individual who has demonstrated integrity and ethics in the candidate's personal, business, and professional life and has an established record of business and professional accomplishment.

Neither the candidate nor the candidate's family members (as defined in the NASDAQ Listing Rules), affiliates or associates (as defined in Rule 405 promulgated under the Securities Act of 1933) shall have any material personal, financial, or professional interest in any present or potential competitor of ours.

Each candidate must, as a director, agree to participate fully in Board of Directors activities, including active membership on at least one Board committee and attendance at, and active participation in, meetings of the Board of Directors and the committee(s) of which he or she is a member and not have other personal, business or professional commitments that would interfere with or limit his or her ability to do so.

Each candidate must be willing to make, and financially capable of making, an investment in Company Common Stock as required by our Articles of Incorporation and the non-employee director stock ownership guidelines adopted by our Board of Directors.

The Nominating and Governance Committee considers it very desirable for candidates to possess the following qualities or skills:

• Each candidate should contribute to the Board of Director's overall diversity, which is broadly construed to mean a variety of opinions, perspectives, personal experience, business experience, professional experience, and backgrounds (such as gender, race, and ethnicity), as well as other differentiating characteristics.

• Each candidate should contribute positively to the existing chemistry and collaborative culture among the directors.

• Each candidate should possess professional, business, and personal experience and expertise relevant to the Company's business. In this regard, the Nominating and Governance Committee will consider financial,

Table of Contents

management and business background, personal and educational background and experience, community leadership, independence and other qualifications, attributes and potential contributions.

The Nominating and Governance Committee selects and recommends each candidate to the Board of Directors each year based on its assessment of, among other things:

- the candidate's personal qualifications as discussed above;
- the past and future contributions of our current directors, and the value of continuity and prior experience on our Board of Directors;
- the existence of one or more vacancies on our Board of Directors;
- the need for a director to possess particular attributes or particular experience or expertise; and
- other factors that it considers relevant, including any specific qualifications the Nominating and Governance Committee adopts from time to time.

Any shareholder may recommend a person to be considered as a candidate or nominate one or more persons for election as a director of our Company. A shareholder who desires to make such a recommendation must comply with the same requirements applicable to director nominations set forth in Sections 8 and 9 of Article I of our Bylaws. Our Board of Directors encourages shareholders who wish to recommend candidates to the Nominating and Governance Committee to send their recommendations in writing addressed to the Nominating and Governance Committee, United Fire Group, Inc., Attention: Corporate Secretary, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909 using the procedures found in the Communicating with the Board of Directors section of this proxy statement.

COMMUNICATING WITH THE BOARD OF DIRECTORS

Concerns and Complaints

United Fire Group, Inc. has adopted a process for communicating with our Board of Directors. To communicate with our Board of Directors regarding issues of concern to or about our Company, access our website, www.unitedfiregroup.com, select Investor Relations and then Corporate Governance and then Concerns/Complaints, call toll free by telephone at 1-877-256-1056, or write to our Audit Committee at United Fire Group, Inc., Attention: Audit Committee – Confidential, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909. Our Vice President, General Counsel and Corporate Secretary, Neal R. Scharmer, and Audit Committee Chair, James W. Noyce, are responsible for reviewing and reporting such communications to our Board of Directors. If requested, and to the extent possible, all communications with our Board of Directors are kept strictly confidential.

Shareholder Proposals and Director Nominations

To be eligible for inclusion in the proxy materials for the 2016 annual meeting, a shareholder proposal must be received by our Corporate Secretary by the close of business on December 9, 2015. All proposals must comply with (i) Rule 14a-8 of the Exchange Act, which lists the requirements for the inclusion of shareholder proposals in company-sponsored proxy materials, and (ii) Section 8 of Article I of our Bylaws. Proposals must be delivered to our Corporate Secretary at United Fire Group, Inc., Attention: Corporate Secretary, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909.

Any shareholder proposal that is not submitted for inclusion in next year's proxy statement under SEC Rule 14a-8, but is instead sought to be presented directly at our 2016 Annual Meeting, or any director nomination for our 2016 Annual Meeting, must be received at our principal executive offices no earlier than the close of business on December 22, 2015 and no later than the close of business on January 21, 2016. Proposals and nominations must be delivered to our Chairman at United Fire Group, Inc., Attention: Chairman of the Board, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909. SEC Rules permit management to vote proxies in its discretion in certain cases if the shareholder does not comply with this deadline, and in certain other cases notwithstanding the shareholder's compliance with this deadline.

Table of Contents

PROPOSAL ONE – ELECTION OF DIRECTORS

Our Articles of Incorporation require that our Board of Directors be divided into three classes, A, B and C, with one class elected at each Annual Meeting. The Board of Directors must consist of no more than fifteen (15) and no less than nine (9) members, with the number fixed by the directors. The directors have fixed membership of our Board of Directors following the Annual Meeting at thirteen (13) and the number of Class C directors to be elected at this year's Annual Meeting at four (4), subject to such changes as the Board of Directors may make at the time of the Annual Meeting if any director nominations are made by minority shareholders, as described in the next paragraph.

According to our Articles of Incorporation, minority shareholders who collectively hold and vote one-fifth of our outstanding Company Common Stock are entitled to nominate and elect 20 percent of our directors. Therefore, minority shareholders collectively holding one-fifth of our outstanding Company Common Stock are entitled to nominate and elect one (1) director if we have nine (9) directors; two (2) directors if we have a total of ten (10) through fourteen (14) directors; and three (3) directors if we have fifteen (15) directors. The majority of our shareholders can always elect a majority of our directors.

Upon the recommendation of the Nominating and Governance Committee, our Board of Directors has nominated the following individuals for election to our Board of Directors this year.

DIRECTOR NOMINEES

Nominees for Director (Class C) – Terms Expiring in 2018

Christopher R. Drahozal
(Director since 1997)

Mr. Drahozal, 53, is an internationally known legal scholar. He is the John M. Rounds Professor of Law and Associate Dean for Research and Faculty Development at the University of Kansas School of Law in Lawrence, Kansas, where he has taught since 1994. Since 2012, Mr. Drahozal has also served as special advisor to the Consumer Financial Protection Bureau, a government agency headquartered in Washington, D.C., on its statutorily-mandated study of arbitration clauses in consumer financial services contracts. Prior to teaching, Mr. Drahozal was in private law practice in Washington, D.C., and served as a law clerk for the Iran-U.S. Claims Tribunal, the United States Court of Appeals for the Fifth Circuit and the United States Supreme Court. Mr. Drahozal is a first cousin by marriage to Mr. Carlton.

Mr. Drahozal currently serves on our Audit, Compensation, and Executive Committees. The Board of Directors believes that Mr. Drahozal's qualifications to serve as director include his legal background and his knowledge of the insurance industry and our Company, gained from his many years of service to us. Mr. Drahozal is an independent director as defined in the NASDAQ Listing Rules.

Table of Contents

Jack B. Evans
(Director since 1995)

Mr. Evans, 66, became Chairman of our Board of Directors in October 2009. He has served us as a director since 1995 and as Vice Chairman from 1997 to 2009. Mr. Evans has a very strong business background and currently holds the position of President of The Hall-Perrine Foundation, a private philanthropic corporation located in Cedar Rapids, Iowa. He has held that position since 1996. From 1993 to 1995, he served as President of SCI Financial Group, a regional financial services firm located in Cedar Rapids, Iowa that provided brokerage, insurance and related services to its clients. Mr. Evans has extensive experience with public companies. He currently serves on the Board of Trustees of 195 registered investment companies in the Nuveen Mutual Funds complex. He has served as a director of Alliant Energy Corporation of Madison, Wisconsin, a utility company that has a class of securities registered pursuant to Section 12 of the Exchange Act, and as a director of the Federal Reserve Bank of Chicago. Mr. Evans is also a former member of the Iowa Board of Regents, which oversees the state's public university system.

Mr. Evans is a member of our Audit, Investment and Nominating and Governance Committees. He also serves as Chair of our Executive Committee. As a long-serving director of our Company, Mr. Evans has gained broad knowledge of the insurance industry generally and our Company in particular. The Board of Directors believes that Mr. Evans' qualifications to serve as director include his business acumen, executive leadership, management experience, and extensive experience with public companies and our Company. Mr. Evans is an independent director as defined in the NASDAQ Listing Rules.

George D. Milligan(Director
since 1999)

Mr. Milligan, 58, has a strong business background, with service since 1985 as President of The Graham Group, Inc., of Des Moines, Iowa. The Graham Group, Inc. consists of a real estate firm specializing in developing office buildings and a construction firm specializing in constructing hospital facilities. Since 2005, Mr. Milligan has also served as a director of West Bancorporation, Inc. of West Des Moines, Iowa, a bank holding company that has a class of securities registered pursuant to Section 12 of the Exchange Act. As a member of the West Bancorporation, Inc. board of directors, Mr. Milligan serves on their audit committee, loan committee, and nominating and governance committee. Mr. Milligan previously served as director of Allied Life Insurance Company, which had a class of securities registered pursuant to Section 12 of the Exchange Act at the time of his service. Mr. Milligan is a long-time community leader and supporter, being active with the Boy Scouts of America, the Dowling Foundation, Mercy Hospital Foundation and Simpson College.

Mr. Milligan serves as Chair of our Investment Committee and as a member of our Audit and Nominating and Governance Committees. The Board of Directors believes that Mr. Milligan's qualifications to serve as director include his business acumen, executive leadership, management experience, and extensive experience with public companies, as well as his knowledge of the insurance industry and our Company. Mr. Milligan is an independent director as defined in the NASDAQ Listing Rules.

Table of Contents

Michael W. Phillips
(Director since 2012)

Mr. Phillips, 46, is the founder and President of Investors' Actuarial Services, LLC, a consulting firm, founded in 2010 and based in Timonium, Maryland, that provides actuarial services to institutional investors. He is also an Adjunct Professor at the Notre Dame of Maryland University and Towson University, both in Baltimore, Maryland, where he teaches undergraduate- and graduate-level finance classes. Mr. Phillips has significant insurance industry experience, having served from 2005 to 2010 as Vice President and sell-side equity research analyst covering small- and mid-cap insurers (including United Fire Group, Inc.) in the Baltimore, Maryland office of Stifel, Nicolaus & Co., Inc., a full-service regional brokerage and investment banking firm headquartered in St. Louis, Missouri. Mr. Phillips is an actuary and an associate of the Casualty Actuarial Society. He spent more than ten years as a reserving actuary for insurance companies including Zurich Insurance Group, the Travelers Insurance Corporation and GMAC Reinsurance Corporation, among others. From 2002 to 2004, Mr. Phillips served as a consulting actuary in the Philadelphia office of Milliman, Inc., a preeminent international actuarial consulting firm.

Mr. Phillips serves on our Compensation and Risk Management Committees. The Board of Directors believes that Mr. Phillips' qualifications to serve as director include his extensive knowledge of the insurance industry gained from his many years of working in and analyzing the industry. Mr. Phillips is an independent director as defined in the NASDAQ Listing Rules.

VOTE REQUIRED AND BOARD RECOMMENDATION

Directors in uncontested elections are elected by a plurality of the votes cast, represented either in person or by proxy, by the shares entitled to vote in the election at the Annual Meeting at which a quorum is present. The plurality voting standard for director elections is the default standard under the Iowa Business Corporation Act unless our Articles of Incorporation provide otherwise. Our Articles of Incorporation do not currently specify the voting standard for director elections. Proposal Two contained in this proxy statement provides for a shareholder vote to approve an amendment to our Articles of Incorporation to provide for majority voting in uncontested director elections. In tabulating the voting results for the election of directors, "FOR" votes are counted in favor of the election of a director, and "WITHHOLD" votes are counted against the election of a director. Abstentions will not affect the election of directors because in tabulating the voting results for the election of directors, only "FOR" and "WITHHOLD" votes are counted. Shareholders do not have the right to cumulate their votes in the election of directors.

The Board of Directors recommends a vote FOR the election to the Board of each of the director nominees identified in this proxy statement.

Table of Contents

CONTINUING DIRECTORS NOT UP FOR ELECTION

The following individuals are continuing members of our Board of Directors who are not up for election at the Annual Meeting.

Directors (Class B) – Terms Expiring in 2016

Mr. Besong, 61, is Senior Vice President of e-Business and Chief Information Officer for Rockwell Collins, a Fortune 500 company based in Cedar Rapids, Iowa, that provides aviation electronics for both commercial and military aircraft and that has a class of securities registered pursuant to Section 12 of the Exchange Act. He was appointed Senior Vice President and Chief Information Officer in 2003. Beginning in 1979, when he joined Rockwell Collins as a chemical engineer, Mr. Besong has held management roles having increasingly more responsibility within the company including, vice president of e-Business and Lean ElectronicsSM, head of the SAP initiative and Director of the Printed Circuits and Fabrication businesses.

John-Paul E. Besong
(Director since 2013)

Mr. Besong is a strong community supporter and member of various industry and community boards. He serves on the boards of directors of Lean Aerospace Initiative (LAI), Junior Achievement (Cedar Rapids area), Mercy Medical Center, Iowa Public Television Foundation and Technology Association of Iowa (TAI) CIO Advisory Board; he serves as a member and former chair of the executive board of TAI.

Mr. Besong’s business background provides him with a very strong understanding of technological advances critical to the insurance industry. The Board of Directors believes that Mr. Besong’s qualifications to serve as director include his business acumen and distinguished management career as an officer and information technology expert of a Fortune 500 company. Mr. Besong currently serves on our Audit and Risk Management Committees. Mr. Besong is an independent director as defined in the NASDAQ Listing Rules.

James W. Noyce
(Director since 2009)

Mr. Noyce, 59, has a strong business, accounting and insurance industry background, with extensive public company experience. Before retiring, Mr. Noyce had nearly three decades of experience in the financial services industry, most recently as Chief Executive Officer and director of FBL Financial Group, Inc. (“FBL”), an insurance holding company headquartered in West Des Moines, Iowa. While at FBL, Mr. Noyce served as Chief Executive Officer and director from January 2007 until May 2009, Chief Financial Officer from January 1996 until January 2007 and Chief Administrative Officer from July 2002 until January 2007. From January 2000 to July 2002 he was Executive Vice President and General Manager of the property-casualty companies managed by FBL. Mr. Noyce began his employment with FBL and its affiliates in 1985. From August 2009 until November 2010, Mr. Noyce served as the Senior Advisor and Major Gifts Officer for the Athletics Department of Drake University, a private university in Des Moines, Iowa.

Mr. Noyce has held or still holds numerous professional certifications and designations including certified public accountant; Fellow, Casualty Actuarial Society; Associate, Society of Actuaries; Fellow, Life Management Institute; and Member, American Academy of Actuaries. He was named Outstanding CPA in Business and Industry by the Iowa Society of CPAs and was inducted into the American Institute of Certified Public Accountants’ Business and Industry Hall of Fame in 2007.

Table of Contents

Since August 2009, Mr. Noyce has been a director of West Bancorporation, Inc., West Des Moines, Iowa, a bank holding company that has a class of securities registered pursuant to Section 12 of the Exchange Act. Mr. Noyce serves as the audit committee chair of West Bancorporation, Inc. He also serves or has served on several community boards, including the United Way of Central Iowa, the Greater Des Moines Partnership, Grandview University, Special Olympics Iowa, and the Mid-Iowa Council of Boy Scouts of America.

Mr. Noyce serves as the Chair of our Audit Committee and has the professional and business experience to qualify as an audit committee financial expert as defined by Item 407(d)(5) of Regulation S-K under the Exchange Act. Mr. Noyce also serves on our Compensation and Nominating and Governance Committees. The Board of Directors believes that Mr. Noyce's qualifications to serve as director include his extensive background and experience in the insurance industry and his public company, executive leadership and management experience. Mr. Noyce is an independent director as defined in the NASDAQ Listing Rules.

Ms. Quass, 65, is President and Chief Executive Officer of NRG Media, LLC, headquartered in Cedar Rapids, Iowa, a position that she has held since 2005. NRG Media, LLC is a broadcast group consisting of 42 analog radio stations and 20 digital streaming radio stations in the Midwest. Ms. Quass previously served as President and Chief Executive Officer of New Radio Group, LLC, from 2002 to 2005. She also served as President and CEO of Central Star, a division of Capstar Broadcasting Partners, Inc. from 1998 through the merger of Capstar Broadcasting Partners, Inc. in 2001 into AMFM. She purchased her first radio stations in 1988, with the formation of QBC.

Ms. Quass has a strong business background and has been a long time community leader and supporter. She serves on the board of directors for Van Meter Inc., a distributor of electrical and mechanical supplies, services and solutions in Cedar Rapids, Iowa and the Cedar Rapids, Iowa region of U.S. Bank. Ms. Quass' service extends to community boards as Chair for Mercy Medical Center in Cedar Rapids, Iowa; Past Chair of the Entrepreneurial Development Center, a public/private sponsored business accelerator in Cedar Rapids, Iowa; Trustee of United Way East Central Iowa; and past Chair of the Cedar Rapids Chamber of Commerce. Ms. Quass is involved in professional organizations including service on the Board of Directors and Executive Committee of the National Association of Broadcasters and the Radio Advertising Bureau Executive Committee, and as Treasurer of the QMac IBA Foundation and past Chair of the Iowa Broadcasters Association. Ms. Quass has been recognized by the broadcast industry. Radio Ink Magazine named her Broadcaster of the Year for 1999, and one of the 40 Most Powerful Broadcasters for 2005 through 2010. She has been inducted into the Iowa Broadcasters Association Hall of Fame and is the recipient of the Rivers Humanitarian Award.

Her service as our director provides her with a very strong understanding of the insurance industry in general and our business operations in particular. Ms. Quass is Chair of our Compensation Committee and also serves on our Nominating and Governance and Risk Management Committees. The Board of Directors believes that Ms. Quass' qualifications to serve as director include her executive leadership, management experience and understanding of the insurance industry. Ms. Quass is an independent director as defined in the NASDAQ Listing Rules.

Mary K. Quass
(Director since 1998)

Table of Contents

Mr. Skogman, 64, possesses a strong business background. Since 1990, he has served as President of Skogman Construction Co. of Iowa, a company that specializes in residential construction and real estate sales, primarily in Cedar Rapids, Iowa. Skogman Homes has built over 6,200 homes since Mr. Skogman became President and was recognized as the 168th largest builder in the country for 2013. With over 220 agents, Skogman Realty is recognized as the 68th largest independent real estate company in the country. Mr. Skogman also owns an interest in a property-casualty insurance agency. He was inducted into the Cedar Rapids Area Homebuilders Association Hall of Fame.

Kyle D. Skogman
(Director since 2000)

Mr. Skogman is a long-time active community leader and supporter, with service to many diverse organizations including as director and past Chairman of the Board of Mercy Medical Center and as a director on the Board of the National Czech & Slovak Museum & Library, in Cedar Rapids, Iowa. Mr. Skogman is a past director of the Cedar Rapids Chamber of Commerce and is a past chair of Cedar Rapids Priority One, an economic development organization within the Chamber of Commerce.

Mr. Skogman currently chairs our Nominating and Governance Committee and serves as a member of our Audit, Executive and Investment Committees. Through his prior business experience and his service to us, Mr. Skogman has a broad and strong understanding of our Company and our business. The Board of Directors believes that Mr. Skogman's qualifications to serve as director include his business acumen, executive leadership, management experience and his understanding of the insurance industry, gained from his many years of service to our Company. Mr. Skogman is an independent director as defined in the NASDAQ Listing Rules.

Directors (Class A) – Terms Expiring in 2017

Scott L. Carlton
(Director since 2012)

Mr. Carlton, 46, has a strong international business background and extensive experience within the finance and accounting functions in a global public company. Since 2007, he has held the position of President of SGL Carbon LLC, Charlotte, North Carolina, a subsidiary of SGL Carbon Group, Wiesbaden, Germany, a leading worldwide manufacturer of carbon-based products with 42 facilities worldwide, including 12 locations in North America. From 2002 until 2007, Mr. Carlton served as Vice President of Finance and Controlling for the largest business unit of SGL Carbon Group, and in that capacity was responsible for the controlling, finance and accounting functions. Since beginning his career with SGL Carbon Group in 1994, Mr. Carlton has worked in a variety of accounting and financial positions at various locations within and outside of the US.

Mr. Carlton holds a bachelors degree in financial management, a Masters of Business Administration degree and completed the Senior Executive Education Program at the London Business School. The Board of Directors believes that Mr. Carlton brings a depth of public company management experience to our Board. Currently he is responsible for an organization with over \$500 million in annual revenue covering seven subsidiaries with over 1,400 employees. He has a strong background in finance, with particular expertise in accounting and financial oversight and reporting. Mr. Carlton also has insurance experience on both a domestic and international scale.

Mr. Carlton is actively involved on corporate boards and in the community. He serves on the board of SGL Automotive Carbon Fibers, a joint venture between

SGL Group and BMW. He is also a director of the Carolina chapter of the National Association of Corporate Directors (“NACD”) and is a registered NACD Governance Fellow. Mr. Carlton serves on the board of the German Language and Culture Foundation of Charlotte, North Carolina.

Table of Contents

Mr. Carlton currently serves on our Audit and Compensation Committees. He is a first cousin by marriage to Mr. Drahozal. Mr. Carlton is an independent director as defined in the NASDAQ Listing Rules and has the professional and business experience to qualify as an audit committee financial expert as defined by Item 407 (d)(5) of Regulation S-K under the Exchange Act.

Mr. Hultquist, 59, has a strong business background and extensive experience with public companies. He is the President, Chief Executive Officer, and a director of QCR Holdings, Inc., a multi-bank holding company he co-founded that is headquartered in Moline, Illinois, and that has a class of securities registered pursuant to Section 12 of the Exchange Act. He has served in those positions since 1993. From 1977 to 1993, Mr. Hultquist was a certified public accountant (and a partner from 1987 to 1993) with KPMG Peat Marwick and McGladrey & Pullen, LLP, national tax and accounting firms. As a certified public accountant, Mr. Hultquist provided services to and advised a wide range of businesses.

Douglas M. Hultquist
(Director since 2007)

Mr. Hultquist is an active, long-time community leader and supporter, being previously involved as a director and past Chairman of the PGA TOUR John Deere Classic golf tournament, a director of The Robert Young Center for Mental Health, a trustee and past Chairman of Augustana College. Mr. Hultquist is currently chair and a member of the Board of the Quad Cities Chamber of Commerce. He serves on the board of the Rock Island County Children's Advocacy Center and participates in Big Brothers/Big Sisters.

Mr. Hultquist chairs our Risk Management Committee and is a member of our Investment Committee. Through his professional and business background and his service to us, Mr. Hultquist has a broad and strong understanding of our Company and business and the operations of a public company. The Board of Directors believes that Mr. Hultquist's qualifications to serve as director include his business acumen, executive leadership and management experience, accounting background and extensive experience with public companies. Mr. Hultquist is an independent director as defined in the NASDAQ Listing Rules.

Casey D. Mahon
(Director since 1993)

Ms. Mahon, 63, was an Adjunct Professor of Law at the University of Iowa College of Law, Iowa City, Iowa, where she periodically taught business law from 1998 until 2009. She has a strong public company background, having served from 1986 to 1990 as Senior Vice President and General Counsel of Teleconnect Company and its successor, Telecom USA, both of which had classes of securities registered pursuant to Section 12 of the Exchange Act at the time she was employed by them. From 1993 until 1998, Ms. Mahon served as Senior Vice President and General Counsel for McLeodUSA, Inc., Cedar Rapids, Iowa, a company that, at the time, had a class of securities registered pursuant to Section 12 of the Exchange Act. McLeodUSA, Inc. provided integrated communications services to its customers.

Ms. Mahon serves on our Compensation and Risk Management Committees. The Board of Directors believes that Ms. Mahon's qualifications to serve as director include her extensive legal experience with public companies and her knowledge of the insurance industry gained from her years of service to our Company. Ms. Mahon also serves as a member of the Board of Directors of the University of Iowa Foundation. Ms. Mahon is an independent director as defined in the NASDAQ Listing Rules.

Table of Contents

Mr. Ramlo, 54, has served as our President and Chief Executive Officer since May 2007. He previously served as Chief Operating Officer (May 2006 – May 2007), as Executive Vice President (May 2004 – May 2007), and as Vice President, Fidelity and Surety (November 2001 – May 2004). Mr. Ramlo has been with the Company since 1984 and has a very strong knowledge of our business and the insurance industry. He holds numerous professional insurance designations, including Chartered Property and Casualty Underwriter, Associate in Fidelity and Surety Bonding, Associate in Management and Associate in Risk Management.

Randy A. Ramlo
(Director since 2008)

Mr. Ramlo is a long-time community leader and supporter, with service to many diverse organizations. He serves as a director of Cedar Rapids Metro Economic Alliance, an economic development organization, a member of the board of trustees of the Cedar Rapids Museum of Art, a member of The University of Northern Iowa School of Business Executive Advisory Board, a trustee on The Iowa College Foundation Board and a trustee of the Eastern Iowa Branch of the Juvenile Diabetes Research Foundation International. He also serves on the Self-Supported Municipal Improvement District board of the Cedar Rapids Downtown District.

Mr. Ramlo serves on our Executive, Investment and Risk Management Committees. The Board of Directors believes that Mr. Ramlo's qualifications to serve as director include his extensive experience in the insurance industry and with our Company as well as his executive leadership and management experience. Mr. Ramlo is not an independent director as defined in the NASDAQ Listing Rules due to his employment by our Company.

Susan E. Voss, age 59, joined American Enterprise Group, Inc. as its Vice President and General Counsel in November 2013. Headquartered in Des Moines, Iowa, American Enterprise Group provides personal and customized health and life insurance solutions for individuals, families and small business owners.

Susan E. Voss
(Director since 2014)

Prior to joining American Enterprise Group, Inc., Ms. Voss had her own consulting firm, Voss Consulting, LLC, which provided consulting and expert witness services in the areas of insurance and financial product regulation and compliance issues. Before Voss Consulting, Ms. Voss worked in Iowa state government for 31 years, the last 20 of which were spent with the Iowa Insurance Division. In 2005 she was appointed by then-Governor Tom Vilsack to serve as Iowa Insurance Commissioner, a position she held until 2013. Ms. Voss was elected by her peers as an officer of the National Association of Insurance Commissioners ("NAIC") in 2007 and served as its President in 2011. During her time as Iowa Insurance Commissioner and her tenure with the NAIC, Ms. Voss served on a number of NAIC committees including: Market Conduct and Regulation Committee (which she chaired from 2005 to 2006), the Principles-Based Reserving Working Group (which she chaired in 2012), International Insurance Committee (which she chaired in 2012), Life and Annuities Committee, Financial Condition Committee and Financial Regulation Standards and Accreditation Committee.

Table of Contents

Ms. Voss has received several recognitions of her service over the years including the Des Moines Business Record Woman of Influence 2006, the Simpson College Hall of Fame 2009 and her 2013 induction into the Iowa Insurance Hall of Fame. Ms. Voss has a history of community service and involvement including President of the Library Board of Des Moines, a member of the Des Moines Library Foundation Board, a member of the Des Moines Pastoral Counseling Center Board and President of the Iowa State Chapter of the P.E.O. Sisterhood.

The Board of Directors believes that Ms. Voss' qualifications to serve as director includes her distinguished service in and extensive knowledge of the insurance industry. Ms. Voss currently serves on our Compensation and Risk Management Committees. Ms. Voss is an independent director as defined in the NASDAQ Listing Rules.

PROPOSAL TWO – APPROVAL OF AN AMENDMENT TO THE COMPANY’S ARTICLES OF INCORPORATION TO PROVIDE FOR MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS

Description of the Proposal

The Board of Directors has approved and adopted, and recommends that our shareholders approve and adopt, an amendment to the Company’s Articles of Incorporation to provide that, in uncontested elections, directors shall be elected by a majority of votes cast by shareholders rather than a plurality of votes cast. In uncontested elections, the number of director candidates equals the number of seats available on the Board of Directors.

If this Proposal Two is approved by our shareholders, Article VII, Section 1.a. of our current Articles of Incorporation would be amended to add the following statement:

“Directors will be elected by the vote of the holders of shares entitling them to exercise a majority of the voting power of the shareholders present in person or by proxy and entitled to vote; provided, however, directors will be elected by a plurality of the votes cast at any meeting at which a quorum is present and for which one or more nominations of persons for election to the Board of Directors has been properly received pursuant to the procedures set forth in the Bylaws so that, on the tenth (10th) day before the Corporation first mails its notice for such meeting to the shareholders, the number of nominees for director is greater than the number of directors to be elected.”

The complete text of Article VII, Section 1.a. of our Articles of Incorporation, as it is proposed to be amended, is reproduced in Appendix A to this proxy statement.

Reason for the Proposal

Section 490.728(1) of the Iowa Business Corporation Law states that “[u]nless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to be voted in the election at a meeting at which a quorum is present.” As a result, plurality voting serves as the default standard for the election of corporate directors in Iowa. The Company’s Articles of Incorporation are currently silent on the matter of the voting standard to be used in uncontested director elections.

Plurality voting is a simple means of determining the outcome of a director election. To win, a director candidate needs to simply receive more votes for a board seat than any other director candidate. A plurality standard means that director candidates who receive the most “FOR” votes are automatically elected, regardless of the number of “WITHHOLD” votes against them. Under a plurality standard in an uncontested election, a director may be elected with only one “FOR” vote even though all other votes are “WITHHELD” against the director candidate. Therefore, under a plurality standard a nominee may be elected to our Board of Directors despite minimal shareholder support.

Table of Contents

If the proposed amendment is adopted, in uncontested elections, directors may be elected only by a majority of the votes cast. This means that to be elected, the number of votes cast “FOR” a director candidate must exceed the number of votes “WITHHELD” against that director candidate. Abstentions and broker non-votes are not counted as votes cast “FOR” or “WITHHELD” against a director candidate.

The Board of Directors believes that majority voting will enhance the accountability of directors to the Company’s shareholders. It should be noted that approval of the proposed amendment would align the Company’s policy on uncontested director elections with a substantial majority of companies in the S&P 500, which have adopted a majority voting standard. In light of this trend, and upon the recommendation of the Nominating and Governance Committee, the Board of Directors determined that adopting majority voting in uncontested director elections was advisable as a matter of good corporate governance and directed that the proposed amendment be submitted to our shareholders for approval at the Annual Meeting.

If our shareholders approve this Proposal Two, the Company will file Articles of Amendment setting forth the proposed amendment with the Iowa Insurance Division and the Secretary of State of the State of Iowa promptly following the Annual Meeting. The Articles of Amendment would become effective immediately upon filing. If this Proposal Two is not approved, our Articles of Incorporation would remain unchanged and plurality voting would continue to apply to our director elections.

VOTE REQUIRED AND BOARD RECOMMENDATION

Approval of the amendment to our Articles of Incorporation to provide for majority voting in uncontested director elections requires the affirmative vote of the holders of at least sixty percent (60%) of the outstanding shares of Company Common Stock. In tabulating the voting results for approval of the amendment to our Articles of Incorporation, abstentions will have the effect of a vote “AGAINST” the proposal because all shares of Company Common Stock are counted.

The Board of Directors recommends a vote FOR the approval of the amendment to our Articles of Incorporation to provide for majority voting in uncontested director elections.

PROPOSAL THREE – RATIFICATION OF THE AUDIT COMMITTEE’S APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

INFORMATION ABOUT OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for 2015 and has directed that management submit the selection of the independent registered public accounting firm to shareholders for ratification at the Annual Meeting. Ernst & Young LLP has served as our independent registered public accounting firm since 2002. Representatives from Ernst & Young LLP will attend the Annual Meeting, will have the opportunity to make a statement if they wish to do so, and will be available to respond to appropriate shareholder questions. Although shareholder ratification of the appointment of our independent registered public accounting firm is not required by our Articles of Incorporation, Bylaws or otherwise, the Board of Directors is seeking ratification as a matter of good corporate governance. The Audit Committee will consider the outcome of this vote in future deliberations regarding the appointment of our independent registered public accounting firm.

FEES BILLED TO UNITED FIRE GROUP, INC. DURING 2014 AND 2013

The following table represents the total fees billed, or expected to be billed, for services rendered to us by Ernst & Young LLP for the fiscal years ended December 31, 2014, and December 31, 2013, respectively:

Table of Contents

Services	2014 Fees	2013 Fees
Audit ⁽¹⁾	\$ 1,394,300	\$ 1,384,000
Audit-Related ⁽²⁾	—	55,000
Tax ⁽³⁾	80,000	117,800
All Other ⁽⁴⁾	—	—
Total Fees:	\$ 1,474,300	\$ 1,556,800

Audit Fees. “Audit” fees consist of fees for professional services rendered for the audit of United Fire Group, Inc.’s Consolidated Financial Statements and internal control over financial reporting, review of the interim Consolidated Financial Statements included in quarterly reports, services that are normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements, and services that generally only the independent registered public accounting firm can reasonably provide.

Audit-Related Fees. “Audit-Related” fees consist of fees for assurance and related services that are traditionally performed by the independent registered public accounting firm and are reasonably related to the performance of the audit or the review of our financial statements, but are not reported as “Audit” fees. During 2014 there were no audit-related fees billed to us by Ernst & Young LLP. Audit-related fees billed to us by Ernst & Young LLP in 2013 related to the audit of our employee benefit plans, including our 401(k) Plan and our defined benefit pension plan.

Tax Fees. Tax fees billed to us by Ernst & Young LLP in 2014 and 2013 related to tax compliance, tax advice, or tax planning services rendered to us.

All Other Fees. During 2014 and 2013, there were no fees billed to us by Ernst & Young LLP for any professional services rendered other than those described above.

AUDIT COMMITTEE PRE-APPROVAL

The Audit Committee of our Board of Directors is governed by a charter that requires the Audit Committee to appoint, evaluate, and oversee our independent registered public accounting firm. As part of its responsibilities, the Audit Committee reviews and approves the provision of all audit and non-audit services for the purpose of assuring the independence of our independent auditors. The Audit Committee preapproved all of the services provided and the fees charged by Ernst & Young LLP during 2014 and 2013.

VOTE REQUIRED AND BOARD RECOMMENDATION

Ratification of the Audit Committee’s appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015 requires the affirmative vote of a majority of the votes cast on this proposal. In tabulating the voting results for the ratification of the appointment of Ernst & Young LLP, abstentions will not affect the voting results on this proposal because only “FOR” and “AGAINST” votes are counted.

The Audit Committee and the Board of Directors recommend a vote FOR ratification of the Audit Committee’s appointment of Ernst & Young LLP as United Fire Group, Inc.’s independent registered public accounting firm for 2015.

Table of Contents

REPORT OF THE AUDIT COMMITTEE*

March 2015

The Audit Committee reviews United Fire Group, Inc.'s financial reporting process on behalf of the Board of Directors. Management has primary responsibility for the financial statements and the reporting process, including the system of internal controls. In accordance with standards established by the Public Company Accounting Oversight Board (United States), Ernst & Young LLP, our independent registered public accounting firm, is responsible for performing an audit of United Fire Group, Inc.'s Consolidated Financial Statements, assessing the effectiveness of United Fire Group, Inc.'s internal control over financial reporting and issuing reports thereon. The Audit Committee monitors these processes. The Audit Committee consists entirely of independent directors and operates pursuant to a charter adopted by it and by the Board of Directors. The Audit Committee met five (5) times during 2014.

The Audit Committee has:

- reviewed and discussed the audited Consolidated Financial Statements with management;
- discussed with Ernst & Young LLP the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board;
- received from Ernst & Young LLP the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence; and
-