Annual Report

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY

PLM
CELEBRATING
125 YEARS

2019

To be recognized by stakeholders as America's premier property and casualty insurance company serving the lumber and building material industries by establishing long-term relationships built on stability in the marketplace, superior service, industry-specific risk management, quality products, and the utmost professionalism as we consistently strive for profitable growth.

Contents

PLM at a Glance

- There were 11,331 inforce policies with PLM at the end of 2019.
- We wrote 384 new accounts generating over $13.7 million of new business premium in 2019.
- Over 2,116 brokers partner with PLM throughout the continental U.S.
- PLM ended 2019 with a combined ratio of 105.8%.
- We wrote $190 million in direct written premium in 2019 with an 82.3% policy count retention and 83.6% premium retention.
- Our total assets surpassed $507 million in 2019.
- 161 dedicated employees work at PLM.
- 90% of PLM employees participated in professional development in 2019. A total of 11 employees earned designations.
- We participated in 125 wood-related industry conventions, meetings and events, and 82 broker conventions, meetings and events in 2019.
- We were recognized as one of the 2019 Top Workplaces by The Philadelphia Inquirer.

President's Message

On February 26, 1895, a group of lumber dealers, after several meetings discussing the unfair rates charged by stock insurance companies, came together and signed a charter that created Pennsylvania Lumbermens Mutual Insurance Company (PLM). A little quick math will lead you to understand that we are celebrating our 125th anniversary as a company! While we currently insure a number of family-owned businesses that were already thriving at the time of PLM's creation, the fact is, not many companies survive a century and fewer survive 125 years. This is true in any industry, but particularly so in the insurance industry. Those that are familiar with the lumber insurance niche and have been in the business for 20 years or longer can tell you that at one time there were a number of insurance companies that carried a lumber mutual name. The history of lumber mutuals is outlined later in this report to give you a better perspective of where we have been as an organization. Throughout this report we talk about where we expect to go not only over the next decade, but, just as importantly, over the next 75 years.

The challenges that confront an insurance company are many. We will try to discuss and address a number of them, including the primary challenge of "profitable growth". This challenge comes in two parts. The first being **profitability** and the second being **growth**, or in an insurance company's case, profitable premium growth. It's important to remember that it's easy to achieve one of these – growth without regard to profitability or profitability when not concerned with growth. The challenge comes in trying to achieve both simultaneously. Only great organizations achieve this ultimate business challenge; sustained profitable growth. We will delve into profitability, which in an insurance company is developed in two ways. The first is underwriting profitability, the profit or loss we make on underwriting wood and lumber-related business. This profitability or loss is then enhanced or reduced based on investment income (or loss) that the company may generate. The combination of underwriting and investments results is what is known as **operating profit**. *Simply put, operating profit is the total of underwriting profitability (or loss) plus investment profitability.* In this report we will also delve into Enterprise Risk Management, which is essentially how we manage the risk on both the asset and liability side of our balance sheet. Additionally, we will discuss what we are doing corporately in professional development and our efforts from a charitable standpoint.

I truly hope you find this report revealing, informative, and enjoyable.

Before we look forward, let's start with a review of 2019. Our industry is a severity business. We don't have a lot of losses, but, when we do have them, they are large. 2018 was a year that we would rather forget, but it is a part of our history. It was critical for us to learn from the dismal results of 2018 to adjust our strategies and bounce back in 2019. Bounce back we have! We expected to, and have in fact, produced an underwriting profit, which when combined to record breaking investment income, has led us to produce a record operating profit. This operating profit drove surplus growth to an all-time high and, for the first time in our history, exceeded $150 million dollars.

While premium lagged until the last

quarter of the year, we did achieve our overall premium objective in the end. This is when we consider both the renewal rights deal we completed with a major competitor, and when we look at our organic growth. It was a great year, and one that we intend to mimic in 2020 and forward.

So, how did we achieve this extremely gratifying financial success, and why is it important to you? It began when we realized that we had to take aggressive action to improve our profitability and to enhance our connections with our customers. We wanted to strengthen the relationships that we have built with many of our longtime insureds, while deepen relationships with other insureds and the brokers that represent them.

In the severity game we play, it is simply critical to focus on risk management. The mission of PLM's Business Development and Loss Control teams is to help customers recognize, contain, reduce, and avoid loss—to save lives and property! Our seasoned professionals utilize their expertise to help drive the profitability of our customers and create financial success through the development and implementation of risk management techniques. Over the past year, PLM has significantly expanded resources available to our customers and invested in equipping our Field and Loss Control professionals with tools, technology, and education/training to target sources of loss for our customers. While most commercial insurance carriers are reducing Loss Control service for their customers, PLM continues to expand our services, as we have found the old adage "an ounce of prevention is worth a pound of cure" to be true!

We refocused almost all of our energy during the first seven months of the year on our renewal book of business. We tasked our Loss Control and Business Development Representatives to visit and update loss control and underwriting information on our entire general liability and commercial auto books of business. This resulted in visits to an estimated 7,500 property locations that we insure. We thought we would identify a significant amount of business that did not meet our underwriting standards as a source to our unprofitability. However, that was not the case. While there were a couple hundred accounts that we unfortunately had to part company with, we felt comfortable in working with the remaining insureds to update and institute deeper risk management and loss control programs. The initiative, called the Relationship Enhancement Program, gave us the opportunity to build stronger relationships with our insureds and build their risk management cultures as well. Further details on the REP are outlined later in this report.

It is clear to everyone that part of our program resulted in increased pricing. We saw premiums rise in just about every account that we renewed in 2019, to one extent or another, due to rate increases that we applied. Believe it or not, the fact that so many of our insureds met our underwriting criteria forced us to recognize that a substantial part of our profitability problem was that we were simply not collecting adequate premium for the severity exposures we insured. We reigned in utilization of two-year policies. When we rolled this program out a decade ago, our vision was that we would apply two-year policies on smaller accounts. Frankly, we were overwhelmed with the positive response, and somewhere along the line we lost our way. We began using it on larger policies as well as extensively on new business. This caused additional issues in regards to profit. So, the action was taken to reduce the number of accounts that enjoyed two-year policies, while keeping the option available for smaller accounts. Not and easy or popular decision to be sure, but one we needed to take.

I have been discussing (harping) for several years in regards to the problems with primary manufacturing accounts (sawmills, pallets, etc.). In 2019 we were determined to fix that problem once and for all, and it appears we have!

A deeper analysis of this segment revealed that no matter how good our risk selection was, we needed to generate adequate premium from the primary manufacturing book of business in order to pay the inevitable loss that was going to occur. This required us to make some difficult decisions. We took a "take it or leave it" approach to pricing on larger primary manufacturers. We also implemented tighter underwriting requirements and increased prices dramatically on this class.

This resulted in many insureds deciding to seek renewal in greener pastures and moving elsewhere earlier in the year. By the end of the year our position looked a lot more attractive to insureds.

Unfortunately, the property insurance marketplace in general has been difficult. The reinsurance community has become aware that primary wood manufacturers (sawmill, pallets, etc.) are not a profitable class of business in the United States and has not been for years. *This is also the case worldwide*. As a result, they have withdrawn capacity causing prices to surge and the inability to secure coverage at any price for larger accounts. Many large primary manufacturers today have gone from having their business insured by one insurance company, covering all of their property, to excess and surplus lines coverage involving multiple carriers, each writing a small share. Even then, the market continues to contract, and we are seeing gaps in coverage. Insureds that could buy upwards of $90 million in coverage last year are now finding it difficult to buy $50 million.

This, in our estimation, is a result of the years of overaggressive pricing. To be honest, we don't see this trend turning around any time soon. Rates have risen, but they have not yet brought the premium for primary manufacturers to an appropriate level to entice us to recommit our capacity and place our capital at risk.

One of the fundamental covenants of the insurance business is that you must generate enough premium from a single class of business to pay for all of its losses, cover its expenses, and maintain a fair profit that is worthy of the insurance company risking its capital. At PLM, the story isn't that we do not have the capacity to write the larger heavy manufacturers, but rather that we simply will not unless we can generate adequate premiums.

Today, we still insure over 700 sawmill and pallet locations throughout the United States. The reality is that we would like to grow that book of business as we look into the future, but only if we are extremely comfortable that there is profitability in risking our capital base to do so.

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Mid-summer, we completed the Relationship Enhancement Program and refocused our efforts on growing by improving our retention ratio while writing more new business. To be honest, turning the switch back on for growth is never an easy thing to do. We struggled a bit initially, but bounced back nicely in the fourth quarter.

Our slow growth in the third quarter was supplemented by a renewal rights deal that we signed in the spring. Late in 2018, we were approached by one of our major competitors who expressed a desire to relieve themselves of their lumber book of business. In the spring of 2019, we signed the largest deal in PLM history agreeing to a renewal rights agreement of an estimated $40 million in premium and nearly 1,000 accounts. All the insureds and brokers were notified about the deal and in September of 2019, we began welcoming new customers to Pennsylvania Lumbermens at their renewal.

We were pleased to also pick up a veteran team of underwriters, many of which have had extensive wood experience. Located in Boca Raton, this team will complete the renewal conversion process and then be fully integrated into PLM's book of business. Included in this group was Angelo Ganguzza, a 30-year veteran of the lumber industry who has both company and agency experience.

With Angelo's background and depth of experience, we were able to expand on an idea that has been on the shelf for many years, the reactivation of our agency with a focus on placing workers' compensation coverage for our wood clients with other carriers. In time, this plan will provide a one-stop solution for both brokers and insureds that currently have their other lines of business at PLM. The ABM Agency has history in the PLM and ILM Group when it was acquired in the affiliation. Upon reactivation, we contracted with several premier workers' comp carriers and began the rollout of the agency's capabilities in November. We believe that ABM will open many doors and create new opportunities for PLM, our broker partners, and our insureds that operate in the wood niche. We can easily see the agency's capabilities expanding over a long-term basis to ultimately provide us with the opportunity to "never say no" about a piece of wood-related business. In other words, our goal is to provide a seamless environment where a broker can submit an account to PLM and we would either issue PLM policies or redirect it to the ABM Agency for a quote from a third-party carrier (either on admitted or excess and surplus lines paper). We would then provide the quotation back to the broker. This would ensure that all clients operating in the lumber and wood niche have one place to go to seek and gain coverage – PLM.

We believe, over time, this will broaden our appetite in the wood niche significantly and give us the ability to provide leading solutions for our insureds as their operations grow and evolve into the future.

Several years ago we announced that we were going to focus aggressively on professional development within the organization. We hired a Talent Acquisition and Development Manager, tripled our budget, and put in place a requirement that all our people would be actively involved in continuing professional insurance education. We set a five year goal for our employees to fully commit, or reconsider their future at PLM. We expected to lose some people, but we also anticipated that most would invest, as PLM was investing, in their own capability as professionals within the insurance industry as well as advancing their expertise in the wood industry. February 2020 marked the four year anniversary for this commitment. We are happy to announce that over 90% of our people have engaged in continuing professional development. These numbers have been steadily increasing and we fully expect to accomplish our objective by the five year mark. What this means to our brokers, customers, and prospective customers is that our people will be a cut above the rest. We believe as an organization our expertise from an insurance and business viewpoint will be unparalleled when it comes to understanding the needs of wood-related insureds throughout America. Our brokers and insureds will benefit from the value of having a carrier that is not only focused exclusively on the wood industry, but also one whose team is continually training and developing their professional expertise in the property and casualty insurance sector.

To drive this initiative, we created a reward-based culture. Take a course, pass a test, and be rewarded. Complete a designation, and be rewarded. Identify the next educational opportunity, and the cycle starts all over again. In a number of cases, we have identified

high performing individuals that we believe are the future of Pennsylvania Lumbermens. We have encouraged these aspiring leaders to pursue (after their completion of various insurance designations) advanced degrees.

This year we had the following people achieve the designations noted.

ARe Designation
Lindsey DiGangi

ARM Designation
Jay Phillips

AINS Designation
Chris Erb
Candace Hower
Nina Manojlovich
Michelle Revelle

AIC Designation
Steve Kern
Steve Spica

AIT Designation
Sally Delp

CISR Elite Designation
Pam Reynolds

VMWARE Designation
Dave Zeigenfuss

Further, we recognize the ongoing trend towards an aging workforce. Through our relationships with various colleges and universities across America with risk management departments, we have developed a growing internship program to bring students into PLM. This has allowed us to develop talent early and build our trainee program to employ recent college graduates, mostly with risk management degrees, from some of the leading universities in the country. We have taken an active role at the collegiate level in Gamma Iota Sigma, which is the risk management professional business fraternity, and The Institutes, the foremost provider of insurance education in America. We have enrolled a steady stream of our leadership talent in various development programs from the Center of Creative Leadership. In short, we are building a team for the next century of PLM's legacy. A team that will focus on our customers and the brokers that operate in the wood niche.

We have also taken an active part in expanding diversity and inclusion in our workplace as well as with many of our local and wood-related associations. We have participated in a number of "women in wood" conferences and supported efforts for the establishment of a chapter of Association of Professional Insurance Women (APIW) in Philadelphia. We have identified and attended a number of insurance associations dedicated to minority groups and expect to enhance our efforts in these areas greatly over the next five years.

Further, we are pleased that our leadership team has taken a more diverse appearance over the last several years as we look to embrace the capabilities that all of our employees have and wish to offer.

We had several key appointments and promotions in 2019. The first was the addition of a new Vice President of Claims early in the year when John Kennealy, a 30+ year veteran of the insurance industry joined us. John spent the year retooling the claims department structure, adding a new Litigation Manager, Karen Parker, and progressing the search for a new fast track casualty claims manager. I hope that by the time you read this report you notice a significant change with claims response and servicing in relation to auto physical damage claims.

Further, in the fall of 2019, we announced the promotion of Lindsey DiGangi, CPCU into a new Corporate Marketing Manager's position as we look to move our marketing efforts forward into the future.

Earlier in the year, we were pleased to renew our reinsurance program. Dismal results in 2018 caused an increase in price, as did the general industry experience in the property and commercial auto arena. However, we were able to complete a deal and were very comfortable with the quality of the reinsurance carriers that signed on to support PLM. We went back to the reinsurance marketplace for our renewal late in 2019. Once again, we were able to pull together a core group of exceptionally strong reinsurers on fairly favorable terms.

We were pleased this past year when A.M. Best, the industry's primary rating agency, confirmed our rating at A- Excellent with a "Stable Outlook". In looking at PLM's history, the fact is that our balance sheet has always been conservatively managed. We achieved an all-time high status with our asset base now standing at $540,000,000. Further, and most importantly, KPMG, our appointed actuary, confirmed that our reserves have moved further up the curve from a conservative positioning viewpoint due to the diligent work that we have done in regards to long-term reserving. I invite anyone who has any concerns about PLM's financial outlook and viewpoint, the strength of our balance sheet, or any of our financial statements, to reach out to me accordingly.

In closing, I would be remiss if I didn't take a moment to recognize the dedication and commitment of the 161 employees that wake up each morning throughout the country with the single professional goal of serving the policyholders, brokers, and claimants of Pennsylvania Lumbermens Mutual Insurance Company. Many of our competitors who are stock insurance companies have a primary obligation to their stockholders with the customers taking a back seat. Our goal is to provide unparalleled value and fairness in the decisions that we make on a daily basis. Today, over 5,300 insureds agree that the value of the PLM relationship is important by placing their faith and confidence in our people and our organization. If you think about it, they get the opportunity to express that faith and confidence every time they decide to renew their insurance coverage with PLM.

To those 5,300 policyholders, I would like to thank you for the opportunity to be part of your family and your future. Rest assured, we're here with you.

To the over 2,000 brokers that represent those insureds and who have partnered with us by recommending PLM to their clients, we thank you for the decision you have made. Your ethical and professional commitment to your clients by working together with PLM, the leading market for lumber and wood-related businesses in America, supports them and your own businesses. We salute that commitment and dedication you show in upholding your professional obligation in doing the right thing for your customers.

We would like to express our deepest gratitude to our board of directors for the faith, confidence, counsel, and wisdom that they have provided. It is always easy to be supportive when the company is doing well. A truly great board is supportive when results are not where they need to be. PLM's board is indeed a big part of our success.

I invite you to review the rest of this report and contact me with any questions or comments you may have.

With my deepest appreciation for your business and our relationship.

John K. Smith, CPCU
President & CEO

It's important to remember that it's easy to achieve one of these – growth without regard to profitability or profitability when not concerned with growth. The challenge comes in trying to achieve both.

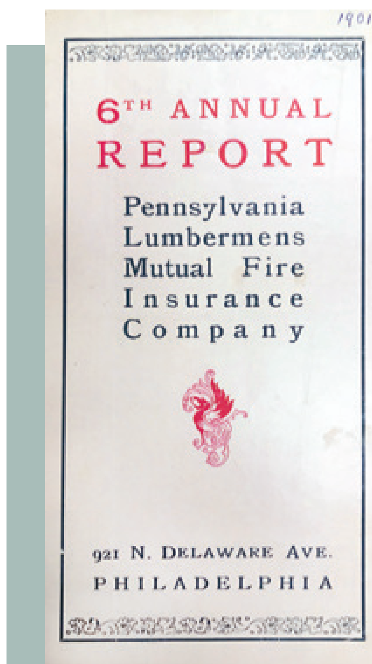
Premium Growth

An insurance company manages a variety of factors to achieve top-line premium growth. These factors are broken down into two primary areas – premium generated by new accounts or new business and premium generated by renewal accounts. Each of those subclasses are dependent upon the company's ability to execute and manage a variety of actions and plans designed to drive top-line growth. *Does this sound familiar?* It should, as it's very similar to our insureds approach to growing their businesses.

In the new business area, it is important that we generate "submission activity", or the opportunity to review someone's current insurance program with another carrier and decide whether the account meets our underwriting criteria. If it does, we must then determine the "sales opportunity". *In other words, is someone just doing a price check or are they truly interested in considering PLM as their insurance carrier?* Obviously, we want to avoid actively participating in price check situations. Like most other insurance companies, we track how often an account comes through the door in an effort to determine if someone is consistently price shopping or looking to create a long-term relationship. We are looking for those who are really trying to understand the value of a PLM relationship.

The insurance business is tricky in that we do not understand the complete cost of providing insurance coverage on an account until well after the sale is made. In some cases, it takes years for general liability and automobile claims to be reported! Thus a sale can be good or bad depending on the level of profit a given account can produce.

In 2019, 2,589 submissions came through our front door. We declined to pursue almost **70%** of those submissions based on our initial review to qualify from an underwriting perspective and their likelihood of moving to PLM. This may seem high, but the reality is many wood accounts simply do not meet our underwriting criteria, and we are not interesting in spinning our wheels on accounts that are not concerned with developing a long-term relationship with PLM. Of that **30%** that we quoted, we were successful in writing 384 new accounts that generated nearly $14M of premium. Our new account hit ratio was thus just under 55%. This percentage is much higher than insurance industry averages.



From a renewal viewpoint, we measure our ability to retain customers by looking at policy count and premium retention. We also measure the amount of business that we lose "mid-term". From a policy count retention, we finished the year renewing 82.3% of our book of business. This is somewhat lower than the past couple of years, which is understandable based on the actions we have taken from a profitability standpoint as later outlined in the profitability section of this report. Premium retention came in at 83.6%. Again, this is below our normal result, but reflects the underwriting decisions we made on larger sawmill accounts and some significant retail lumber dealer

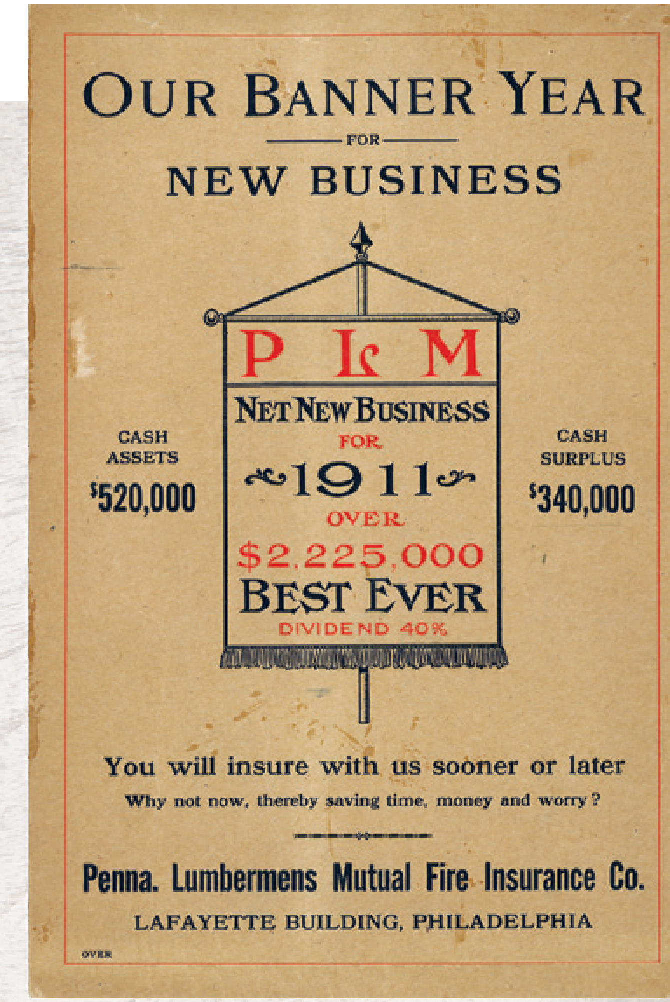
businesses that we were no longer comfortable to insure. Even at a lower than usual retention rate, we are above industry averages!

Much of our business is rated based on exposures, either property values or sales. When our customers are having good years, they tend to buy new equipment, replace autos, etc., thus their values and level of sales increase. We see increased premium as a result of these changes. We measure this monthly by studying the health of the economic environment in which our insureds are operating. This in turn gives us an idea of how, in general, their businesses are doing. From an exposure viewpoint, our property values grew by 4.49% on renewal while sales generated by our insureds were up 6.69%, both very positive numbers in our mind. This flows to our top-line growth accordingly.

Rate increases also played a role in our growth in 2019. Over the years, the cost of claims has risen. Equipment and sheet metal costs have gone up. Medical costs have grown. The legal environment has evolved. What does all of this mean? The costs to rebuild and replace have gone up. Claims verdicts are rising. The cost to reinsure those changing exposures has increased. Thus, the cost of insurance has risen!

The wood niche has experienced some difficulty from a profitability standpoint over the last several years. As such, we have seen carriers participating in the wood niche leaving, reducing the amount of business they write, or increasing prices (in some cases substantially). Today, there is no other carrier in America that participates and is committed to as wide of a spectrum of wood-based businesses as PLM.

In reviewing our numbers, you will note that they look "funny". Indeed, they do. As noted earlier, we made the decision to walk away from primary wood manufacturing accounts with locations greater that $10 million, because we couldn't generate enough premium to ensure that we made a sustained profit over time. This negatively impacted our overall premium volume but has positively impacted our profitability. We decided to non-renew



several significant accounts based on poor profitability and lack of commitment to risk management programs at a level we felt appropriate. Finally, as previously mentioned, we started to unwind our two-year policy program on larger accounts. When we rolled out the two-year program, we envisioned it as a service for our small accounts. Over the years, we started including larger and larger accounts. We also began writing new business on a two-year basis. In retrospect, we let this one get away from us.

Our plan was never to write new business on a two-year basis, but to familiarize ourselves with accounts during their first year with us, and then making the decision on offering two-year policies at the first anniversary. Further, our goal was never to put accounts that generated in excess of $25,000 of premium on two-year policies, but we did. This past year, we reduced the two-year premium threshold to $40,000 of annual premium and moved any account over this premium volume back to a one-year policy. This shrunk our total top-line premium considerably, as you see reflected in our numbers. However, this situation will reverse itself in 2020 when those accounts renew. On the other hand, top-line premium growth received a boost when we successfully negotiated the aforementioned renewal rights deal mid-year.

Thus, while our written premium is down substantially, we are exactly where we thought we would be from a premium standpoint when we created our 2019 production and operational plan. Are we disappointed in certain production results this year? Yes, absolutely, but we are comfortable that things will return to normal in 2020 as we reap the benefits of the hard decisions we made in late 2018 and 2019.

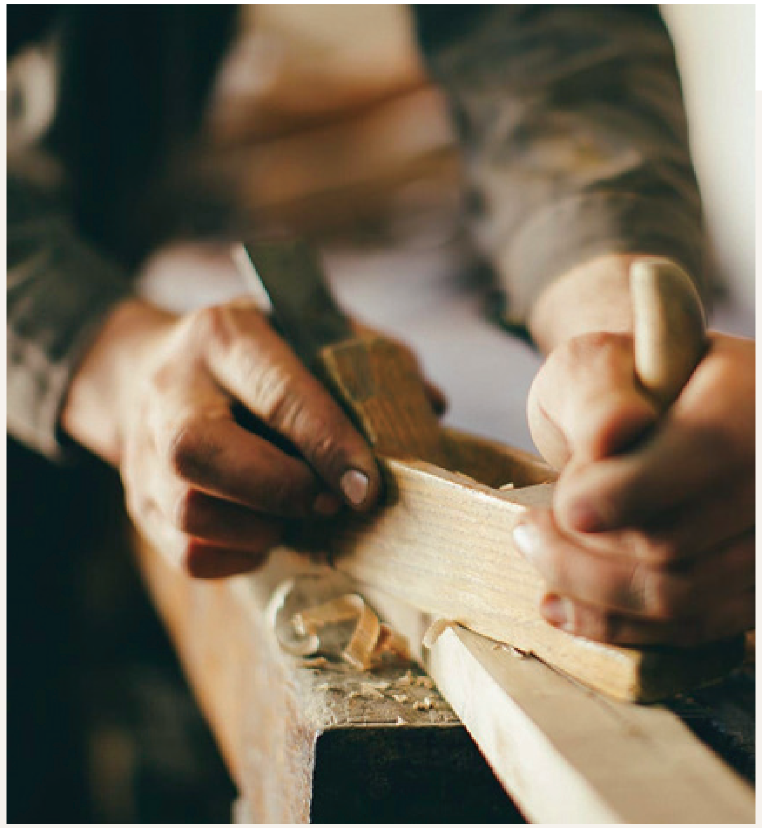
Profitability

Insurance companies determine profitability utilizing several key markers or financial targets. If you have read past reports, you have heard us talk about loss ratio, expense ratio and combined ratio. These are insurance industry terms that provide markers to assist us in measuring short-term profitability in the current calendar year and averages over the longer term. The rule of thumb is that a combined ratio, which is simply the addition of the loss ratio and expense ratio, of less than one hundred percent suggests a profitable underwriting result for the year. This means that for every dollar that you are collecting in premium, you are paying out less in losses and expenses. Further, the adverse is true as well. If your combined ratio is over 100, then you are paying out more in losses and underwriting expenses than you are collecting in premium. That is unless you are converting two-year policies to one-year policies, in which case your expense ratio is artificially inflated! This is exactly what PLM did in 2019.

Due to the severity of our niche and the cost of our reinsurance, there is a significant variance at PLM between net earned and net written premium which is unusual. Thus, in order for PLM to achieve an underwriting profit, we need to produce a combined ratio in the high 90th percentile in a typical year, when not converting policies from two years to one year.

2019 was a very good year for us in that we produced an underwriting profit and bounced back strongly from the difficulty of 2018. Both our loss and expense ratios were within our budget which drove our overall profitability for the year and led to record policyholder surplus!

Our underwriting decisions, focus on risk management, and internal process improvements contributed to our positive results.



From a loss ratio perspective, the Relationship Enhancement Program (REP) that we launched in January, gave us a fresh look at almost our entire book of business. We visited over 7,500 locations and issued 7,089 loss control recommendations. We put a new policy in place concerning follow up on those loss control recommendations to ensure more timely compliance. Our insureds, for the most part, have been working closely with our underwriters, business development, loss control, and claim representatives in pursuit of improving the safety of their businesses and containing any losses that have occurred.

In a limited number of cases, we ended our relationships with insureds that did not agree with our approach or were unwilling to comply with our underwriting requirements. The insurance mechanism allows an insured to transfer the risk of loss from their balance sheet to ours. Yes, we are paid a premium to do that, but our expectation is that the insured will remain focused on risk avoidance, minimization, and control.

The REP program helped us identify gaps in coverages as well as changes in exposures such as equipment, vehicle purchases, and sales requiring updates to our insureds' policies. Our conversations regarding changes in business operations also provided our insureds with the opportunity to enhance protection. We adjusted, both upwards and downwards, rating bases (or exposures) in order to more accurately reflect the condition and situation of the insured's operation. We provided a string of on-site safety seminars, both at our insistence and at an insured's request, to help drive risk management more deeply into their culture. PLM upgraded the resources available to our customers not only through our loss control representatives, but also through self-service and low touch resources found online. These resources include an expanded library with downloadable materials, as well as new streaming video services that are available to our insureds at no charge. We collaborate with the most respected vendors and continually look for other partnerships to provide the highest quality training tools possible.

A problematic area for both PLM and the insurance industry today continues to be the commercial auto line of business. We are seeing the cost of settling auto claims skyrocket putting significant pressure on us to do a better job with risk selection and generating adequate premium for the exposures at hand.

We took these growing concerns head-on in 2019. We implemented Valen Analytics to assist our underwriters and business development teams in their auto underwriting review process to make better decisions regarding our automobile renewals and pricing. As expected, we increased pricing, as did the rest of the industry.

We greatly expanded our risk management resources in the auto and fleet safety area by helping insureds develop

tailored fleet risk management plans. We have template materials that cover all angles of a plan that can be adapted for our insureds' specific operations.

We partnered with Samba Safety and iiX, driver risk management services offering continuous MVR monitoring, to help our insureds identify problematic drivers and take appropriate actions, either through additional training for those drivers or in some rare instances by excluding them from coverage on their policy. PLM has also collaborated with a company that provides a service that reduces distracted driving involving mobile phones. Currently, we are gearing up to expand our partnerships to telematics providers.

The auto line of business will not improve overnight. Currently as we look out in the market, we continue to see it as the most difficult line of business we underwrite. We take no comfort in the fact that the insurance industry as a whole is fighting the same battle as we are. Thus, it is important that we communicate to our current clients and future ones that this line of coverage needs to be worked aggressively from a risk selection and terms and conditions standpoint as we pursue a semblance of profitability as an industry.

Over the past year, PLM more than doubled the number of completed risk improvement surveys. These are site visits to customers, providing thousands of value-added risk improvement recommendations. What we offer is expertise - both academic and practical. We take the best risk management practices from top companies in the industry and apply those practices to customers that are still developing their loss control and risk management programs.

Each of our Loss Control professionals provide continuous risk improvement consultation services for our insureds. Unlike most of our competitors, PLM does not charge for this service, or reserve service to only its largest customers. All customers are valued and receive this dedicated service.

All in all, from an underwriting perspective, it was a very good year despite having to make some very difficult decisions. From a business segmentation viewpoint, we further restricted our requirements on

writing heavy manufacturing (sawmills, pallets, etc.), by reducing our exposure to risks and over certain value levels at any one location.

Underwriting profitability when combined with investment income resulted in a surge in surplus where we not only recovered all that we lost in 2018, but established an all-time high surplus at $157.9 million.

When looking at our underwriting expenses, we were successful in managing our staffing levels. Today, PLM enjoys one of the highest "premium per employee" ratios in the insurance industry, which helps us contain our expense ratio. Despite the leaner staff, our policy services have never been better. Most renewals are out before the effective date, and endorsements are routinely handled within 10 days. The quality of the work product has also improved.

Our efforts in underwriting and risk management were rewarded with a significant drop in new property claims. In spite of horrendous weather throughout the United States from wildfires, hail, hurricanes, straight-line wind, and winter storms, we did not suffer the large number of losses as we have in the past. We believe this is due to the effort we put into tailoring coverages for specific regions of the country, maintaining high standards in regards to our underwriting beliefs in different areas, and through "modeling" our weather catastrophe exposures extensively.

While we did write new business, we wrote it on a limited basis choosing only the best of the best accounts, and obtaining a higher price for coverage in areas exposed to catastrophic weather losses. Weather-related claims were down slightly per event, but down significantly per loss dollars, less 88 events and $15,898,760.

The Claims Department played a part in this with the new leadership team taking a deeper look into files and tightening procedures on response time and file handling on individual claim files. There is still more work that needs to be done in this area, but we see continuous forward progress. Claims leadership also reviewed our attorney relationships to make several significant changes in an effort to improve the quality of counsel for our insureds.

We adapted our philosophy about reserving, where we have always been conservative, to reacting even more quickly in establishing "ultimate" reserves upfront on new claims. We also started to mediate and settle claims sooner in the claims cycle.

This resulted in a decline in new claims reporting. Total new claims reported were down to 5,388, a reduction of 7.3%. New property claims were down 22.9%, a drop of 163 new events. Commercial auto losses were also down by 379 events, a reduction of 9.6% over 2018. While general liability claims were up, we felt comfortable that we gained a better understanding of our construction defect exposures. New large loss activity was at its lowest level since 2012 for both property and casualty lines.

There was a decline in our open pending claims by 4.9%. This means our claims representative had more time to focus on open claims. Recovery, the salvage and subrogation of claims, reached a new high, exceeding our expectations.

In 2019, PLM once again participated in the Ward Benchmarking Study. The study analyzes and compares our expenses in 1,700 areas such as staffing levels, compensation, and business practices throughout our company's operations. It allows insurers to measure their results against peer groups in the industry. This year's committee is chaired by Angelo Ganguzza, Vice President & General Manager of Brokerage Operations. The committee is comprised of both experienced departmental team members and some of the next generation of PLM's staff to bring balance and new insights to the group. We fully expect that this long-term deep dive into our cost structure will reap real and meaningful benefits as we empower a new set of eyes to analyze PLM's overall effectiveness and efficiency. While there are only minor changes to date, we expect 2020 to be very exciting as this group takes root.

Our efforts in professional development, outlined previously in this report, also played a role in our profitability in 2019. Simply put, better equipped and trained professionals produce better results.

Enterprise Risk Management

PLM's Enterprise Risk Management program is a living, breathing, and working tool that we use on a daily basis to improve our business operations and our ability to serve our customers.

While doing research for a presentation earlier this year, we learned that the average individual makes 35,000 decisions a day. We are confronted with all types of decisions, everything from what to eat today or whether or not to go to the gym, to choosing to hire a new candidate or sell a business. Understanding the risk involved in each decision is sometimes difficult to do, but our goal is to understand those that can impact our business and yours both positively and negatively. To do so, we need an ever-changing Enterprise Risk Management program.

Some may not find it surprising that PLM has a very active risk management program. It only makes sense when you consider that we, like our insureds, are a business operation that requires protection from the unexpected. The nature of our business requires that we look at risk holistically. However, it does not end there. We, and hopefully you, fully understand that we cannot and do not transfer all our risk via the insurance mechanism. These risks require us to understand what they are. How we can avoid, reduce, control, and when appropriate, assume and exploit them -- all classic risk management techniques.

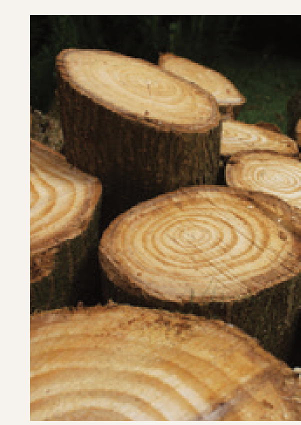
Non-insurable exposures that we all have include reputation, operating systems, people, suppliers, customers, and the economy. All of them fall into our risk management considerations and evaluations.

In the investment section of this annual report, we describe various classes of investments we make that are broad-based, covering a multitude of investment vehicles. This is in effort to disperse, reduce, and control our risk from market fluctuations. We have discussed before about an insurance company's need to balance investment risk with the underwriting risk. We are able to take on risk in one area if the other is operating extremely well.

As we look forward to the next decade and think about the risks that confront us, we believe there are several risks that both PLM and our insureds should equally focus on.

First, from an insurance industry as well as a lumber industry perspective, regulatory changes and the political atmosphere will have a significant impact on our businesses. We often ask ourselves if we are doing enough to influence the decision makers in those areas.

Secondly, we all must consider what drives customer loyalty and our ability to retain customers as consumers' expectations change. We must also consider ways to find new, profitable customers.



As we further reflect on our customers, we must also think about the consumers of the future. Twenty years ago, we came across many people in the lumber and wood industry that did not have a fax machine in their organization, nor

saw the need to invest in one, let alone any computer technology. Just thirteen years ago, the iPhone was released. Today, we live in a connected world and each one of us probably has multiple devices we use in our personal and business life (which increases cyber risk). The reality is that we need to think about how we can compete in the marketplace with young consumers that are digital in nature.

Thirdly, cyber security needs to be at the forefront of all our decision-making processes. Data privacy is critically important as we handle sensitive information on our customers and our own employees.

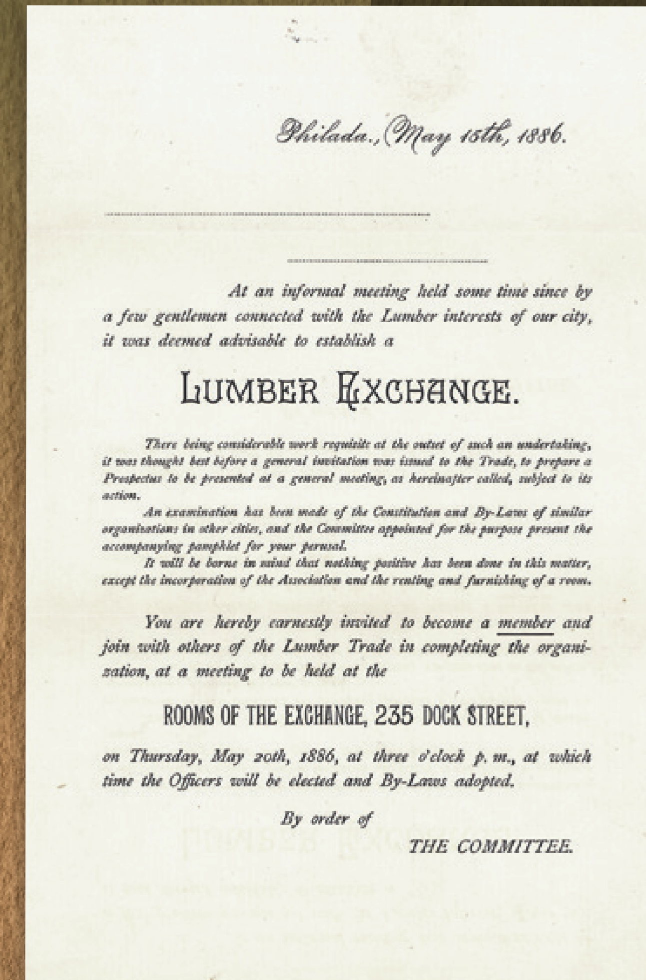
We need to also consider new technologies that are going to require different skills and processes as we learn to adopt them into our businesses.

Finally, we must consider what the workforce looks like in the future. We are actively engaged in developing our employees and their ability to manage change, learn new skills, and embrace new technologies and methodologies of the business world over the next ten years. Succession planning and our ability to attract and develop young talent is critical to both of our industries.

This leads us to consider the cultural issues we face, particularly in today's legal environment. While the insurance industry perhaps has a small margin ahead on diversity, we continue to work aggressively in this area. We cannot help but notice the growing number of NextGen and women's groups forming throughout the lumber industry in the United States. We are taking steps to support this issue and promote diversity in the cultures of both the insurance and wood industries.

We debate and consider these challenges that affect all of us. While the solutions may be unclear or evolving, the most important thing is that we are talking about these risks and opportunities constantly. They are a part of our daily operations. The reality is, we must understand where we've been and where we are, but recognizing where we are going is critical to the growth and success of our business and yours.

Sturdy As The Oak



Philada., May 15th, 1886.

At an informal meeting held some time since by a few gentlemen connected with the Lumber interests of our city, it was deemed advisable to establish a

LUMBER EXCHANGE.

There being considerable work requisite at the outset of such an undertaking, it was thought best before a general invitation was issued to the Trade, to prepare a Prospectus to be presented at a general meeting, as hereinafter called, subject to its action.

An examination has been made of the Constitution and By-Laws of similar organizations in other cities, and the Committee appointed for the purpose present the accompanying pamphlet for your perusal.

It will be borne in mind that nothing positive has been done in this matter, except the incorporation of the Association and the renting and furnishing of a room.

You are hereby earnestly invited to become a member and join with others of the Lumber Trade in completing the organization, at a meeting to be held at the

ROOMS OF THE EXCHANGE, 235 DOCK STREET,

on Thursday, May 20th, 1886, at three o'clock p. m., at which time the Officers will be elected and By-Laws adopted.

By order of

THE COMMITTEE.

EDWARD F. HENSON
1902

Historical Timeline of PLM

From our roots in the burgeoning retail lumber industry and as one of the first lumber mutuals, we are an American success story as the oldest and largest lumber mutual in the country today.

1752 – HERITAGE OF AN IDEA
The Philadelphia Contributionship, the first successful insurance company in America, was founded by Benjamin Franklin in Philadelphia. Along with the growing popularity of mutual insurance companies, it helped pave the way for the establishment of PLM.

1886
The Lumber Merchants Exchange of Philadelphia, later to be called The Lumbermens Exchange, was formed to serve as a buying cooperative to reduce expenses, increase buying power, and share information and services.

Feb 1895 – FROM LUMBERMEN, FOR LUMBERMEN
A need for insurance arose from the flourishing lumber industry in Pennsylvania. Due to the unfair rates being charged by stock companies, Edward Henson, a successful lumber executive who headed up the Insurance Committee for The Lumbermens Exchange, formed with other lumbermen, **Pennsylvania Lumbermens Mutual Fire Insurance Company.**

Edward F. Henson, PLM President 1895–1931

1911 – A BANNER YEAR
PLM recorded its best year to date with new business totaling more than $2,225,000 with cash assets of $520,000 and surplus at $340,000. This strong performance continued to grow, **reaffirming that lumber mutuals were a force to be reckoned with in the insurance marketplace.**

1921 to 1931 – BOOM TIMES
PLM passed $1 million in Net Surplus. This milestone was the launching point for rapid escalation of revenues, which characterized the company's earnings performance for the next ten years. Assets grew from $1.5 million to $2.6 million. Net Surplus more than doubled, and the company paid a 40% dividend throughout the decade.

Justin Peters, PLM President 1931–1938

Herman J. Pelstring, PLM President 1938–1956

1943 – SAFETY SERVICES
A major loss at the Bailey lumber yard (one of PLM's oldest policyholders) was one of the losses which prompted an increase in **fire prevention and loss control programs** as practical means of risk reduction.

1940s & 1950s – CONTINUED GROWTH
Despite World War II, PLM continued to grow throughout the 1940s, **doubling assets to $11.2 million** by the fifties. In 1948, the company moved into a new facility at the Market Street National Bank Building to accommodate the growing staff.

1950s - DIVERSIFICATION
With expansion into new lines beyond lumber and geographically with branch offices in California, Arizona and North Carolina, the company was now selling insurance in 42 states through more than 1,200 agents. Official records in 1955 lists the year as PLM's "greatest year", since assets hit an all-time high.

Fred H. Ludwig, PLM President 1956–1960

John J. Ford, PLM President 1960–1967

1960s – NATURAL DISASTERS
Throughout the Sixties, hurricanes and natural disasters caused severe damage in the country, depleting PLM's resources and exposing its vulnerability in the General Business sector. A forest fire in the Los Angeles area racked up the highest loss at that time, at $1,209,042. PLM's focus shifted with a renewed emphasis on the company's traditionally profitable lumber line.

Late '60s – A RETURN TO OUR ROOTS
By 1966, the company gradually reduced General Business activity and transferred resources to Lumber Operations. The retail lumber and building material industries in the late 1960s were a period of unprecedented prosperity. During these years, PLM began to build up its stores of reserves with the company surplus between 1968 and 1978 more than tripling. PLM was once again becoming a formidable financial force.

J. Frank Braceland, PLM President 1967–1984

1967-1984 – CONNECTING WITH THE INDUSTRY
A Under the leadership of Frank Braceland, PLM re-established important connections with lumber, woodworking and building material associations. Closer ties with the industries it was created to serve and new technological advances prompted PLM to strengthen its Loss Control programs. While the company had always provided educational and informational materials, PLM now established a formal Loss Control Department.

1980's – PUT TO THE TEST
Increased competition among the former allies of "Lumber Mutuals" created a new opportunity for stock companies to slice a larger piece of the market. PLM met the challenge by expanding its force of Field Representative and increasing advertising and promotional programs. By the last half of the decade, the company reached an all-time high in assets and surplus.

C.A. Kane, PLM President 1984–1988

J. William Lee, PLM President 1988–2003

1988-1995 – EVOLUTION
The economic downturn during the early 1990s; a soft insurance market, and a shrinking lumber industry, PLM experienced unprecedented strains during this period. But PLM rose to the challenge, rolling out a multi-faceted underwriting and marking program. New lines, re-packaged programs, expansion of existing plans, forays into new areas of risk, and an aggressive sales and broad marketing agenda kept PLM solidly positioned as an insurance specialist.

John K. Smith, President – 2003–present

July 2013 – BETTER TOGETHER
PLM affiliates with longtime competitor Indiana Lumbermens Mutual Insurance Company. The combination of the two companies creates the opportunity to capitalize on the strengths of each organization and offer a broader and financially stronger market for policyholders.

2015-2017 – PROTECTION FOR THE TIMES
With In August of 2015, PLM adds EPLI to its policies, an important coverage that can help employers prevent or defend against employment claims alleging age, gender or race discrimination, sexual harassment, wrongful termination or other wrongful employment acts. Later in December of 2017, Cyber Liability coverage is introduced to PLM policies to help protect our customers from fallout of cyberattacks and data breaches.

2020 – PLM PROUD
We enter the year of our 125th Anniversary as America's premier insurance provider to the lumber, woodworking and building material industries. We are proud to uphold our history of serving our customers, partners and organizations that seek to educate, evolve, and revolutionize the wood industry. Each day this year and every year into the future, we commit to not only being here for you, but with you.

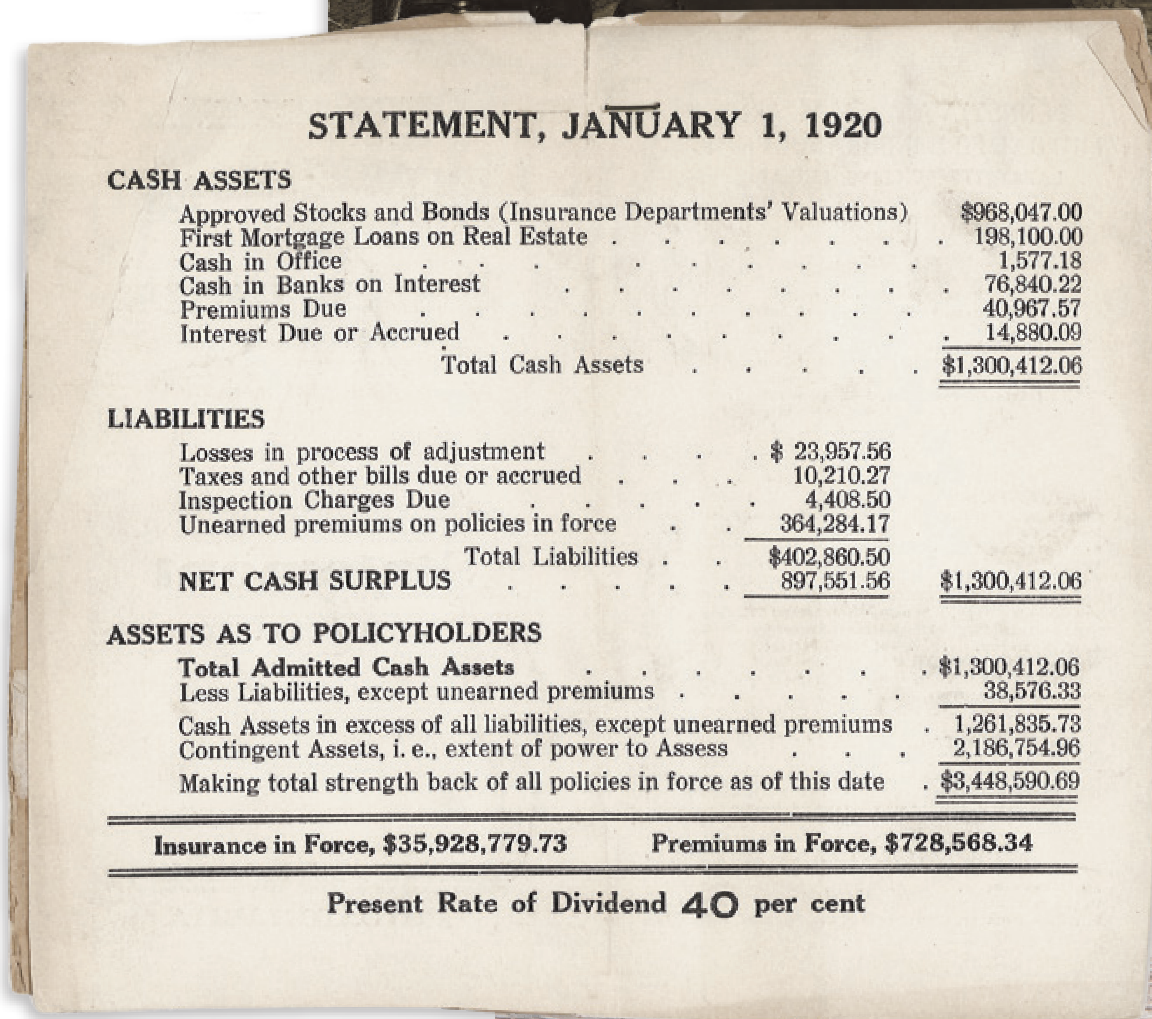
Investments

You may recall from last year's report, we outlined steps taken to trim the equity holdings in our investment portfolio in an effort to calm the volatility in late 2018. It is important to understand that PLM's investment policy cannot be thought of in a vacuum. The economic indicators we follow as a company are designed to keep us attuned to the health of our customers as well as the environment in which we apply our investment strategy and operate our investment portfolio. These factors are a small part of the Enterprise Risk Management program that we rely on to understand the risks that we are currently facing, to identify those that are emerging, and to recognize those that are changing or turning out to be more long-term than we originally anticipated. The idea is to balance the risk between the underwriting side and the investment side of the organization, while also recognizing the non-financial risks that we must manage as a company.

For instance, when we are enjoying solid underwriting results, we should feel more comfortable taking additional risk on from an investment standpoint, with the opposite also being true. The volatility we are seeing in the equity or mark-to-market areas, when combined with the meager returns available within the fixed income market, makes this even more challenging than any time in recent history.

We entered 2019 with a very conservatively managed investment portfolio. We had reduced the marked-to-market holdings dramatically in late 2018 due to the difficult underwriting environment we found ourselves in. Our timing was fairly strong in that we insulated ourselves from some of the late 2018 runoff, yet we were still able to participate in some of the bounce that came in the early part of 2019 in the equity markets.

In considering our marked-to-market investment portfolio, we still hold several individual stocks despite our conservative actions to cut back to manage it. While we trimmed back our Master Limited Partnership (MLP) portfolio in 2018, in 2019 we pared it down even further, reducing the number of holdings to only five or six of the best MLPs in the marketplace. These firms have demonstrated a commitment to operating in a fiscally responsible manner, growing their businesses and returning dollars to their investors on a consistent basis. After very dismal results in 2018, our Real Estate Investment Trust (REIT) portfolio soared to perhaps one of the best years we have seen since we have entered this segment of the investment marketplace around 20 years ago. The convertible bond portfolio performed as expected,



STATEMENT, JANUARY 1, 1920

CASH ASSETS		
Approved Stocks and Bonds (Insurance Departments' Valuations)		$968,047.00
First Mortgage Loans on Real Estate		198,100.00
Cash in Office		1,577.18
Cash in Banks on Interest		76,840.22
Premiums Due		40,967.57
Interest Due or Accrued		14,880.09
Total Cash Assets		$1,300,412.06
LIABILITIES		
Losses in process of adjustment	$ 23,957.56	
Taxes and other bills due or accrued	10,210.27	
Inspection Charges Due	4,408.50	
Unearned premiums on policies in force	364,284.17	
Total Liabilities	$402,860.50	
NET CASH SURPLUS	897,551.56	$1,300,412.06
ASSETS AS TO POLICYHOLDERS		
Total Admitted Cash Assets		$1,300,412.06
Less Liabilities, except unearned premiums		38,576.33
Cash Assets in excess of all liabilities, except unearned premiums		1,261,835.73
Contingent Assets, i. e., extent of power to Assess		2,186,754.96
Making total strength back of all policies in force as of this date		$3,448,590.69

Insurance in Force, $35,928,779.73 **Premiums in Force, $728,568.34**

Present Rate of Dividend 40 per cent

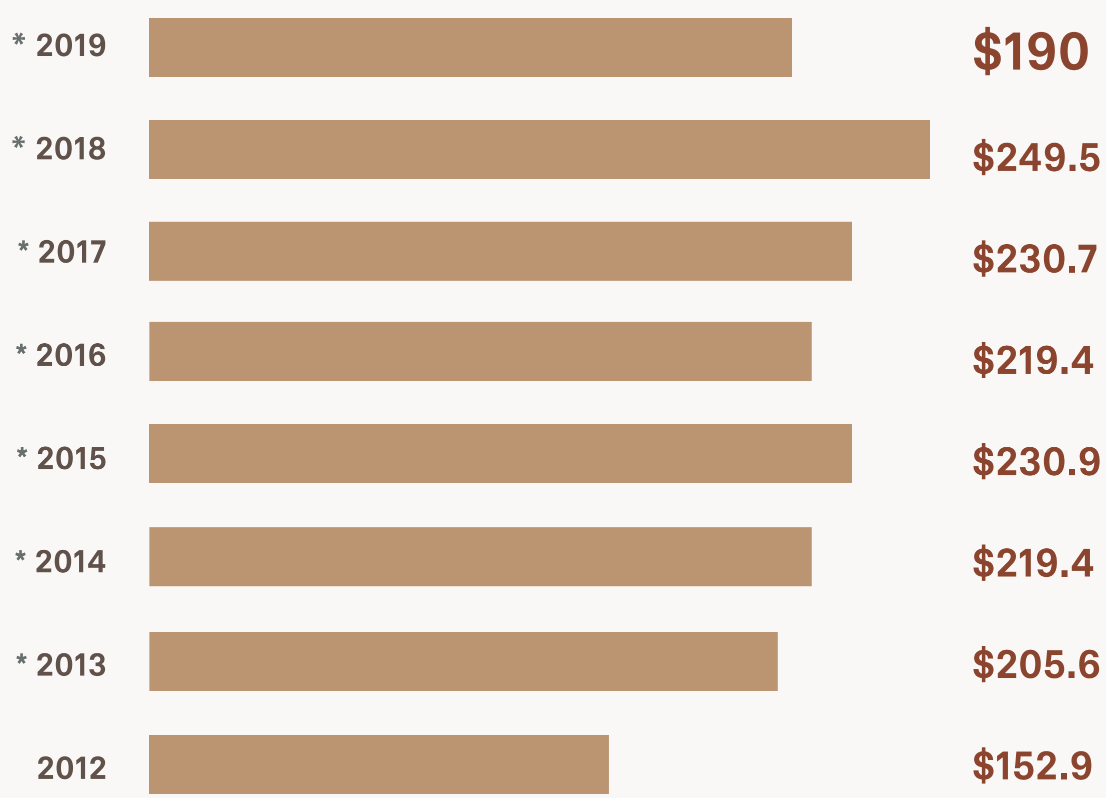
and we enjoyed moderate success in this area. We still hold a number of mutual funds and preferred stock that produced positive results for us in 2019.

While it was more difficult to establish a superior fixed income return, the fact that our fixed income bond portfolio had a fairly balanced duration gave us the opportunity to secure significant returns on a number of different instruments. This was through a series of transactions designed to provide a longer duration, and allow us to take advantage of the higher rates attached to some of our long-term holdings as our bonds approached maturity or call dates.

Our Investment committee worked closely with our primary advisor, J.P. Morgan. In addition, we worked hand in hand with Wellington, Real Estate and Management Services (REMS), Advent (convertible bonds) and a number of other investment firms that we indirectly follow to add to our financial resources and knowledge.

In spite of increased investment expenses, over $383.6 million of investment returns combined with our underwriting profitability fueled the surge in our surplus in 2019.

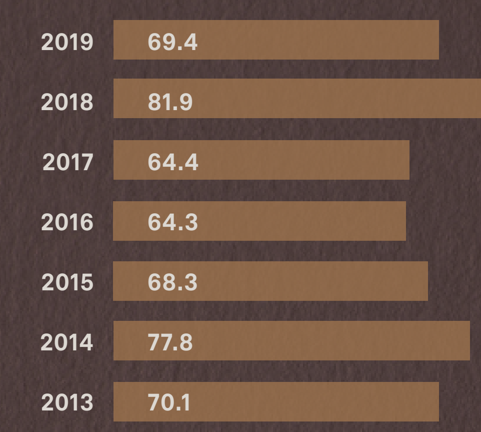
Direct Written Premium (In Millions)



* YEARS 2013–2019 NUMBERS ARE COMBINED PLM/ILM RESULTS. ALL YEARS PRIOR ARE PLM ONLY.

Combined Ratio (%)

Annual Loss Ratio (%)



Year End Surplus (In Millions)

Dividends (In Millions)

Condensed Comparative Statutory Balance Sheet
2019 VS. 2018 ($ IN MILLIONS)

ASSETS	2019	2018	2019 vs. 2018 Change
Investments and Cash			
Fixed Income Securities (at amortized cost)	$296.2	$278.0	$18.2
Equity Securities (at market)	77.0	63.3	13.7
Cash, Short Term and Other Investments	10.4	34.7	(24.3)
Total Cash and Investment	**383.6**	**376.0**	**7.6**
Receivables			
Premiums Due	108.1	153.2	(45.1)
Reinsurance Recoverable on Paid Losses	6.6	9.6	(3.0)
Receivables for Securities Sold	0.5	0.4	0.1
Accrued Investment Income	2.8	2.8	-
Total Receivables	**118.0**	**166.0**	**(48.0)**
Other Assets	6.2	10.8	(4.6)
TOTAL ASSETS	**$507.8**	**$552.8**	**($45.0)**
LIABILITIES AND SURPLUS			
Liabilities			
Loss Reserves	$182.3	$203.3	($21.0)
Unearned Premium Reserves	131.6	175.0	(43.4)
Premium Due Reinsurers	4.6	5.5	(0.9)
Expenses Payable and Other Liabilities	31.4	33.0	(1.6)
Total Liabilities	**349.9**	**416.8**	**(66.9)**
Surplus	**157.9**	**136.0**	**21.9**
TOTAL LIABILITIES AND SURPLUS	**$507.8**	**$552.8**	**($45.0)**

Condensed Comparative Statutory Operating Results
2019 VS. 2018 ($ IN MILLIONS)

	2019	2018	2019 vs. 2018 CHANGE
Premiums Written – Direct	$190.0	$249.5	($59.5)
Premiums Written – Net	$127.8	$181.8	($54.0)
Premiums Earned	$171.3	$174.3	($3.0)
Losses Incurred	118.9	142.8	(23.9)
Expenses Incurred	46.5	48.9	(2.4)
Total Losses and Expenses	165.4	191.7	(26.3)
Underwriting Profit/(Loss)	5.9	(17.4)	23.3
Dividends	0.5	0.3	0.2
Underwriting Profit/(Loss) After Dividends	5.4	(17.7)	23.1
Net Investments Income	10.5	11.2	(0.7)
Pre-Tax Operating Income/(Loss)	15.9	(6.5)	22.4
Realized Gains & Other	1.5	7.0	(5.5)
Pre-Tax Income	17.4	0.5	16.9
Federal Income Taxes	1.1	(0.8)	1.9
Net Income	16.3	1.3	15.0
Change in Unrealized Gains/(Losses) (Net of Tax)	10.1	(14.4)	24.5
Other Surplus Increase/(Decrease)	(4.5)	(0.3)	(4.2)
Change in Surplus	$21.9	($13.4)	$35.3
Total Surplus	$157.9	136.0	$21.9
% Increase/(Decrease) in Surplus	16.1%	(9.0%)	

Charitable Giving

PLM encourages its employees to be actively involved in their communities, and has supported volunteer events and giving over many years. Corporately, we have aimed to live up to our responsibilities as good corporate citizens to our stakeholders, our industry, and our community.

Once again, we were thrilled by the outstanding results of our United Way Campaign, the cornerstone charity for PLM. Just over 97% of our employees committed to giving their hard-earned dollars to the United Way or one of its agencies. Using United Way's donor option program, our employees were able to direct their personal giving to the charities of their choice. PLM enthusiastically matched their donations on a $1.25 to $1.00 basis. In the case of new employees, a match of $2.00 to $1.00 was made! In addition, PLM gives a separate corporate charitable gift to the United Way each year. We saw the total dollars donated surge with our group of Leadership Donors, individuals committing to a donation of $1,000 or more for the year, jumping from 19 employees in 2018 to 33 employees in 2019. We are extremely proud of these results and the amazing generosity of our employees. Further, this past year, we invited our retirees and members of the Board of Directors to join our campaign. United Way suggests that PLM is a standard-bearer for a company our size in our approach to supporting their efforts.

This past year, the Fireman's Hall Museum in Philadelphia completed restoration of the Bates hand-pump fire engine built in the early 1800s. Found submerged in the Delaware River, PLM was a major sponsor in bringing the Bates engine back to life. Further, the company supported the Philadelphia Fire

By The Numbers

98% TOTAL EMPLOYEE PARTICIPATION

158 EMPLOYEES WHO PLEDGED

$74,402 TOTAL EMPLOYEE PLEDGE

$175,131 TOTAL EMPLOYEE PLEDGE PLUS CORPORATE MATCH

$471 AVERAGE EMPLOYEE PLEDGE AMOUNT

33 LEADERSHIP DONORS ($1,000 OR MORE)

200 NUMBER OF DESIGNATED DONOR CHOICE AGENCIES AND ORGANIZATIONS

$3,000+ TOTAL AMOUNT RAISED FROM CAMPAIGN ACTIVITIES (JEANS DAYS, LUMBERGRAMS, RAFFLES, ETC.)

Foundation's quest to put 40,000 smoke alarms in Philadelphia homes with a leadership donation of $10,000 at the Insurance Society of Philadelphia's Independence Gala in November. PLM has been a pacesetting donor to this campaign for many years! We are honored to play a part in celebrating the rich history and serving the current needs of fire prevention in Philadelphia.

Our corporate charitable donations supported a variety of museum and cultural venues throughout Philadelphia, including the Philadelphia Museum of Art, Barnes Foundation, Museum of the American Revolution, Pennsylvania Horticultural Society, and America's oldest continuously operating theatre, the Walnut Street Theatre.

PLM's softball team once again stepped up to the plate to raise money for charity. While the team did not fare well on the field, all the players enthusiastically participated in the annual Insurance Softball League of Philadelphia tournament to raise money for Philadelphia Children's Alliance.

We also participated in several volunteer events in both Philadelphia and Indianapolis during the Week of Giving, hosted by the Insurance Industry's Charitable Foundation (IICF).

We are truly excited about our approach to charitable giving as a company and the culture of caring we have built. But, even more so, we are inspired by our people that devote so much of their personal time to support, volunteer, and lead charities, churches, and youth activities in communities throughout the United States. This also extends to their service to committees for a variety of insurance and wood-based associations.

Charitable Contributions

Airborne & Special Operations Museum Foundation
American Bar Association Fund for Justice & Education
American Diabetes Association
Barnes Foundation
Big Picture Philadelphia
Boy Scouts of America
Bryn Mawr Presbyterian Church
Building Material Suppliers Association Scholarship Fund
Cape Fear Botanical Gardens
Center City District Foundation
Center for Economic Empowerment & Development
Children's Hospital of Philadelphia (CHOP)
Colby College
Cradles to Crayons
Crescent Springs Presbyterian Church
CROS Ministries
Daylesford Abbey
Drexel University
Fayetteville Urban Ministry
Fireman's Hall Museum
First United Methodist Church
Foundation for Economic Education
Gamma Iota Sigma
Germantown Friends School
Girl Scouts Nassau County
Girl Scouts of Central & Southern of New Jersey
Gleaners Food Bank of Indiana
Hampden-Sydney College
Heart of Camden
Insurance Society of Philadelphia
Inter-Church Food Pantry of Johnson County
Inter-Faith Housing Alliance
Ivy Endowment, Inc.
Jewish Federation of Greater Philadelphia
MANNA
Melrose B'nai Israel Emanu-El
Metropolitan Golf Association
Middlebury College
Mount Holyoke College
Museum of the American Revolution
NAMIC Merit Society Scholarship
National Multiple Sclerosis Society
New York Law School
NGA, Inc.
North American Forest Foundation
Pennsylvania Horticultural Society
Pennsylvania Society for the Prevention of Cruelty to Animals (PSPCA)
Philadelphia Children's Alliance
Philadelphia Fire Department Foundation
Philadelphia International Association of Firefighters
Philadelphia Museum of Art
Philadelphia Ronald McDonald House
Pinelands Preservation Alliance
Police Athletic League - Philadelphia
Po-Mar-Lin Fire Company
Property and Environment Research Center (PERC)
Providence Cristo Rey
Reynoldsburg United Methodist Church
Salem Museum & Historical Society
Salem Presbyterian Church
Salvation Army
Second Helpings Organization
Sexual Assault/Spouse Abuse Resource Center, The (SARC)
Shipley School
Sidney Kimmel Cancer Center
St. Baldrick's Foundation
St. Francis-in-the-Fields Episcopal Church
St. Joseph Catholic Church
St. Rose Catholic Church
St. Thomas of Villanova
Starfinders Foundation
Sweet Briar College
Trustees of the University of Pennsylvania
Union League Philadelphia
Union Presbyterian Seminary
United Way of Southeastern Pennsylvania
University of Georgia
Walnut Street Theatre
West Trenton Presbyterian Church
Western Hardwood Association
Westmont United Methodist Church
Wheeler Mission Ministries, Inc.

PLM Staff List

Alex Acosta
David Adams
Traci Barber
Alex Beyer
Jill Blocker
Bill Blom
Lisa Bragg
Dan Braiman
Sean Briscoe
Thomas Britland
Matthew Brown
Garrett Brown
Tonya Burroughs
Joseph Burrows
Rasheed Byrd
Julian Carroll
Art Chapa
Sandra Cheney
Susan Cho
Louis Chow
Kelly Conlan
Michael Conlin
Carla Corrado
Richard Costello
Alexandria Craig
Christopher Crucitt
Michael Culbreth

Melanie Culp
Eleanor Curry
Nicholas Cusato
Kathleen Dalton
Jennifer Danielian
Diane Della Pia
Sally Delp
Christine Derby
Brian Devenny
Lindsey DiGangi
Joseph Donnelly
Zack Donovan
Seema Duggal
Darr Dugo
Carey Duncan-Bueno
Monica Eguiguren
Christopher Erb
Jeffrey Evans
Stephan Firko
Bridget Fisher
Janice Fisher
Robert Florio Jr.
Carissa Franklin
Terry Fricker
Charlotte Friend
Rachel Gamblin
Angelo Ganguzza

William Gardineer
BJ Gardner
David Gartland
Gerrylynn Gibson
Janice Gilbert
Keia Gilliam
Sheila Gjevre
Jason Goldstein
Matthew Goodwin
Cindi Graat
Antonio Grosso
Marco Gulino
Marlaina Hahn
Richard Hall
Pat Harkins
George Hawkins
Jeffrey Hendershot
Stephen Hicks
David Hill
Candace Hower
Kobié Jacobs
Christopher Jacobson
Ranada James
Harold Jamison
William Johnson
Paul Johnson
Scott Johnson

Tracy Jowers
Grace Joy
John Kennealy
Loretta Kephart
Stephen Kern
Erin Keyser
Matthew Kienholz
Tricia Kilrain
Peter Kim
Jimmy Koshy
Stephanie Kozak
Paul Kremer
Tetiana Larson
Nicholas Lawlor
Robert Lemieux
Maria Lubbers
Jonathan Luciano
Chase Luffey
Syed Mahmud
Suzanne Maile
Nina Manojlovich
John Marazzo
Sam Matthews
Karen McAllister
Jean McCarthy
Belinda McNeil
Robert McSorley

Sandra Meier
Valerie Melchiorre
Renée Miles
Sheldon Mitchell
Keith Mosher
Teresa Murphy
Patrick Musall
Lavondah Muse
Edward Niewinski
Edward Nowak
Stephone Oakley
William Osborne
Jay Pantone
Karen Parker
Jay Phillips
Gary Postel
Michelle Revelle
Pamela Reynolds
Nicole Reynolds
Kevin Riddick
Paul Roberts
Carmela Robinson
Allan Robinson
Ray Rogers
Veronika Rosenbaum
Herman Sanchez
Donna Scardelli

Brian Schnurbusch
Brad Schoolcraft
Barbara Schuster
Debra Schwarz
Michael Seiwert
Erin Selfe
Karen Sewell
Randy Skopecek
John Smith
Gregory Smyth
Stephen Spica
Kelly Sullivan
Alden Swan
Rita Taylor
Timothy Thomas
Genevieve Ventiere
Gary Waggoner
Jack Wallace
Veronica Wilkins
Kristin Wilson
Sue Winstel
Christine Woodward
Michael Zdrojewski
David Zeigenfuss
Cheryl Zoog
Richard Zorman

2019 Milestone Anniversaries

FIVE YEARS

Alex Beyer
Bill Blom
Rachel Gamblin
Janice Gilbert
David Zeigenfuss

TEN YEARS

Tricia Kilrain
Gerrylynn Gibson
George Hawkins
Alexandria Craig
Christine Woodward

FIFTEEN YEARS

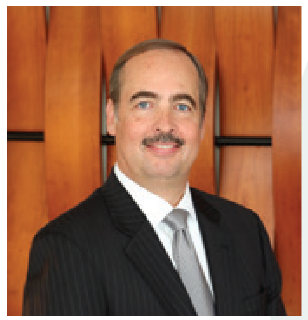
Sally Delp
Charlotte Friend

TWENTY YEARS

Jay Phillips

PLM Officers

JOHN K. SMITH, CPCU
PRESIDENT & CEO



STEPHAN D. FIRKO
SENIOR VICE PRESIDENT
BUSINESS DEVELOPMENT, LOSS CONTROL & CUSTOMER SERVICE

RICHARD A. HALL
SENIOR VICE PRESIDENT
UNDERWRITING

CHRISTOPHER H. CRUCITT
VICE PRESIDENT
UNDERWRITING

ANGELO T. GANGUZZA
VICE PRESIDENT & GENERAL MANAGER
BROKERAGE OPERATIONS

HAROLD L. JAMISON, JD, CPCU
VICE PRESIDENT
HR,REGULATORY & GOV'T AFFAIRS
CORPORATE SECRETARY

WILLIAM F. JOHNSON, JR.
VICE PRESIDENT
UNDERWRITING

JOHN J. KENNEALY
VICE PRESIDENT
CLAIMS

JOHN F. MARAZZO
VICE PRESIDENT
ACCOUNTING / TREASURER

ERIN SELFE
VICE PRESIDENT
INFORMATION TECHNOLOGY

DAVID ADAMS
ASSISTANT VICE PRESIDENT
FIELD OPERATIONS

TRACI BARBER
ASSISTANT VICE PRESIDENT
CUSTOMER SERVICE

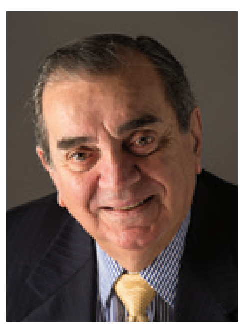
KATHLEEN DALTON
ASSISTANT VICE PRESIDENT
OPERATIONS

TRICIA KILRAIN
ASSISTANT VICE PRESIDENT
FIELD OPERATIONS

ROBERT MCSORLEY
ASSISTANT VICE PRESIDENT
FIELD OPERATIONS

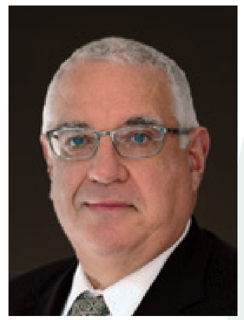
Board of Directors

C. RICHARD PETERSON
CHAIRMAN OF THE BOARD

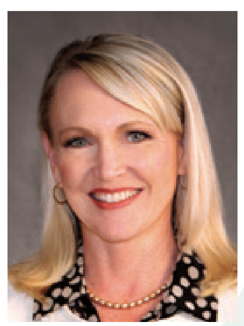


ANTHONY J. DECARLO, SR.
DECARLO ADVISORY SERVICES
BERWYN, PA

JACK YATES, III
CARLINO CAPITAL MANAGEMENT CORPORATION
WYOMISSING, PA



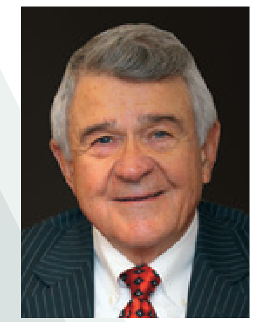
JOHN K. SMITH
PLM INSURANCE COMPANY
PHILADELPHIA, PA



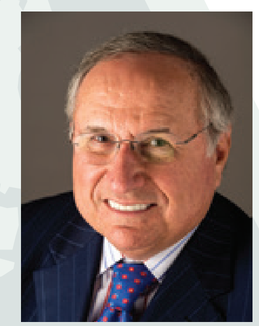
CALLY FROMME
KODIAK BUILDING PARTNERS
VICTORIA, TX

THOMAS E. BEACH
BEACH INVESTMENT COUNCIL, INC
WEST CONSHOHOCKEN, PA

GEORGE HIRSCHHORN, CPA
HIRSCHHORN FRY & ASSOCIATES
PHILADELPHIA, PA



W.A. BISSETTE
FORMER CHAIRMAN
HIGHLAND LUMBER CO., INC
FAYETTEVILLE, NC

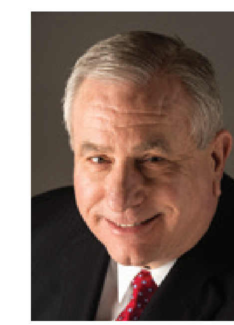


HARVEY E. KROIZ
FIRST CAPITAL REALTY, INC.
PLYMOUTH MEETING, PA

STEPHEN F. BOYD
MANUFACTURERS RESERVE SUPPLY, INC.
IRVINGTON, NJ

W. CRAIG MYERS
RETIRED VP – MARKETING
PLM INSURANCE COMPANY
PHILADELPHIA, PA

TIMOTHY W. CALLAHAN, II, ESQ.
SAUL EWING LLP
PHILADELPHIA, PA



JOHN F. WOLF
RETIRED PRESIDENT & CEO
ILM INSURANCE COMPANY
INDIANAPOLIS, IN

1895

PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

ONE COMMERCE SQUARE
2005 MARKET STREET, SUITE 1200
PHILADELPHIA,PA 19103-7008