

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY 2024 (129th)

Annual Report



Contents

Overview

2

PLM AT A GLANCE

4

PRESIDENT'S MESSAGE

Tailored Protection

12

PROFITABLE GROWTH

› TYPES OF BUSINESSES WE WRITE

Coverage Solutions

18

GREEN TREE RISK PARTNERS

Risk Management

22

ENTERPRISE RISK MANAGEMENT

24

CYBER SECURITY

Financial Strength

28

INVESTMENTS

30

FINANCIAL STATEMENT

› BALANCE SHEET/OPERATING RESULTS

Industry Support

36

CHARITABLE GIVING

› CHARITABLE ORGANIZATIONS

40

INDUSTRY SPONSORSHIPS

Our People

44

PLM EMPLOYEES

45

2024 MILESTONE ANNIVERSARIES

46

EDUCATION/AWARDS

› 2024 DESIGNATIONS/CERTIFICATIONS

48

PLM OFFICERS

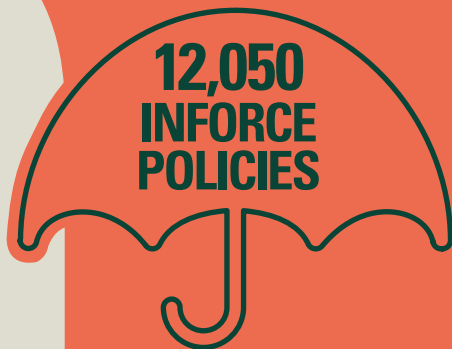
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BOARD OF DIRECTORS

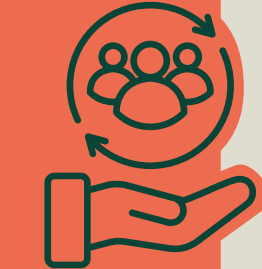
**COMBINED
RATIO
97.95%**



**12,050
INFORCE
POLICIES**



**5,687
ACCOUNTS**



**90%
POLICY COUNT
RETENTION**



**PROFESSIONAL
DEVELOPMENT**



**197
EXAMS
PASSED**



**53
DESIGNATIONS**



TRADESHOWS



**105
DIFFERENT
EMPLOYEES
ATTENDED SHOWS**

**101
INSURANCE
SHOWS**

**134
WOOD
INDUSTRY
SHOWS**

P L M A T A G L A N C E

**DIRECT
WRITTEN
PREMIUM
\$488.4 m**



**\$49.7 m
NEW BUSINESS
PREMIUM**



**798
NEW ACCOUNTS**



**102.33%
PREMIUM
RETENTION**

**2,297
BROKERS
PARTNER
WITH US**



**2024
TOP WORKPLACES
IN PHILADELPHIA**



**6TH
YEAR IN A ROW**



**79.05
NPS SCORE**

It's become a theme for me to open with the comment, "The year in review produced a mixed array of results." For 2024, some results were truly amazing, some were in line with our expectations, and some fell short of our goals. Whether you are in the insurance business or in a wood-related business, I suppose this is not an uncommon sentiment when reviewing your organization's yearly performance. This is particularly true if you and your team are reaching high and setting lofty goals and objectives, like we do here at PLM. In fact, I would go as far as to say if we had achieved all our goals in 2024, we might not have been reaching far enough!

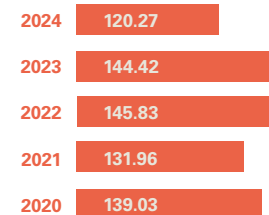


Our overarching goal as a company is to produce profitable growth and add to our policyholder surplus every year. This is indicative of a strong and thriving insurance company. However, unlike many other insurance companies, the fact that we exclusively focus on the wood segment makes this a much more challenging objective. This has to do with the fact that, as I've said many times, this is a severity driven business. When you consider the number of policies we write and the exposures covered by those policies, we do not have many claims, but the ones we do have are usually large and severe. This challenge becomes all the more difficult in that we want to make an underwriting profit every year, which is profit from insurance company operations without the inclusion of investment income. We have been able to accomplish that in seven of the last nine years.

The problem with being an expert in something in the business world is that you have to compete with others that aren't. I am sure you know this feeling well. We have an obligation, as defined by our founders 130 years ago, to provide a consistent, stable market for wood-related businesses. We feel that the only way to do this is to solely focus on what we are good at, which is insuring wood-related businesses as demonstrated by our



5-YEAR COMBINED LOSS RATIO ON AUTO LINE (%)



results over the past several years and our exceptionally high Net Promotor Score (NPS). While the insurance industry averages an NPS score in the 50's, PLM ended 2024 with an NPS score of 79.05.

The insurance industry measures underwriting profit by calculating a loss ratio (incurred loss/net earned premium) and adding it to an expense ratio (operating non-claims expenses/net written premium). A loss ratio in the mid-60s is an acceptable result, as is an expense ratio in the high 20s or even low 30s. When added together, these ratios form the combined ratio. A combined ratio under 100% is considered good. PLM ended the year with a loss ratio of 76.7% and an expense ratio of 21.25%, yielding a combined ratio of 97.95% and a small underwriting profit!

Unlike other years, where the auto segment of our business significantly contributed to our losses, this past year we saw a modest improvement in our auto results. We believe this is due to several actions we have taken in recent years such as a closer underwriting review of new and renewal accounts, tighter loss control requirements, and increased pricing on certain trouble accounts. Most importantly, it is an outcome of heightened involvement by our insureds in creating a culture of safety and actively implementing risk management programs in their operations. The days of past where insureds may have overlooked serious loss exposures or were noncompliant with loss control recommendations because "I have insurance for that", are over.

A LOOK AT LOSSES

So, if it is not the auto segment driving the losses this past year, what is? It was a terrible year when looking at our property and general liability losses.

We have an obligation, as defined by our founders 130 years ago, to provide a consistent, stable market for wood-related businesses.



Hurricanes Milton and Helene resulted in significant losses, although they were manageable losses (thanks to our reinsurers who we gratefully acknowledge). We also experienced an abnormal number of large fires, particularly those in excess of \$5 million in 2024. In previous years, we would have expected some of these fires to come from sawmills or pallet operations, traditionally our highest severity business. This year, however, none of these losses were from these types of operations. Additionally, we saw fires originate from avoidable events, like two fire losses, each more than \$5 million, from the improper disposal of oily rags. Our loss control recommendations are driven from



experience and are important to follow in order to combat these types of preventable losses.

Unlike your policy with PLM, our reinsurers not only charge us an upfront premium for reinsurance coverage but also have the opportunity to collect a reinstatement premium if losses exceed a certain threshold within the policy year, which they did. The reinstatement premium as a result of these losses was around \$10 million.

On the general liability side, construction defect claims drove our unprofitability. These claims have surged in recent years, some associated with installed work, and a lot associated with the contractors that our insureds are selling products to. Added to this is a dynamic change in the U.S. legal system. We are all dealing with social inflation, nuclear verdicts, and accelerating defense costs. Judges and juries are more liberal in handing out larger settlements. Legal system funding where third parties are funding lawsuits in return for a piece of the settlement, on top of what the attorney gets, is becoming more routine.

What can you do? As mentioned earlier, be more engaged in risk management. This does not only mean following the loss control recommendations we may make but rather working to create a conscious business culture of safety within leadership, including ownership, and actively striving to ensure a safe operation from every angle.

Our insureds need to have tighter controls on the contracts they're using and signing, and on the contractors they are working with on installed jobs. They need to keep better records, so they know which contractor was used and for what job. Any signed

contracts for those jobs that are for an extended period need to be maintained and preserved. There's an old saying in the world of insurance, "those who have it in writing, win."

Similar to how we managed our sawmill and pallet losses over the years, we are looking to manage our general liability exposures. We will be making underwriting policy and pricing decisions based on identified legal jurisdictions that create problems for our insureds and PLM alike. Just as customers in Kansas do not want to support the cost of insuring risks on the beaches of Florida, we do not believe insureds want to support the cost of those operating in highly litigious environments.

2024 RESULTS

From an operating expense standpoint, our results were truly fantastic -- the best I've seen in my almost 50 years in the insurance industry, and perhaps the best in PLM's history. We are undoubtedly on top of our game when it comes to managing expenses!

The drop in losses year-over-year when combined with an upward swing in investment income led to a record policyholder surplus of \$218.4 million, the highest we've ever enjoyed and the first time we pierced the \$200 million threshold. This represents growth of over 12.5%.

In 2024, our gross written premium surged by over 15% to \$488.4 million. Unfortunately, this was three points below our target. Digging deeper into our performance in this area, we find that we wrote a record breaking \$49.7 million of new business premium. We gained 798 new customers during the year, which is the largest number of new accounts that we have ever attained through simple organic growth. We declined more than 60% of the new business submitted to us for a variety of

underwriting reasons such as poor maintenance or a lack of safety culture. When we quoted an account, we ended up writing the business more than 60% of the cases. Further, 90% of our current customers chose to renew their business with PLM. This is well above the industry average, and we believe this is a testament to the quality of work we do!

Our in-house agency, Green Tree Risk Partners, secured workers' compensation coverage for 258 accounts that currently have their other lines written through PLM. Further, Green Tree Risk Partners was able to assist businesses, initially declined by PLM, in securing coverage in the secondary market. There's much excitement in the



marketplace about the progress we're making in our agency. It will take a number of years for us to fully support our customers either through a policy written by PLM or one placed by Green Tree Risk Partners. Our goal is to eventually be in a position to provide a wood business insurance program to all, no matter who they are or what their risk profile is!

THE PLM CULTURE

Like you, hopefully, we invested and spent quite a bit of time defending our systems from cybercriminals and continued to upgrade our systems to better serve you and our needs. How many attacks did we prevent this year? Our cyber security team warded off hundreds of attacks through our monitoring system, and over 1,000 malicious emails were reported by our employees. No one successfully pierced our firewall or our internal systems. With that said, we did have a number of vendors we work with that had some problems. Today, we will not sign a vendor contract unless their systems meet our criteria and standards.

We continue to run cyber training programs for all of our employees and provide weekly cyber tips that we encourage our employees to share with their families. In addition, we run tabletop cyber disaster recovery sessions involving our leadership team as well as for each department.

Artificial intelligence (AI) is something that we focused on for quite some time this year. We worked to gain an understanding of the concept and the good business practices around it, while trying to recognize its possibly impact on PLM. We formed an internal AI committee that has been identifying small opportunities for us to deploy AI technology within our business.

We have assembled a talented crew of insurance professionals to which we attribute much of our success. But they do not come cheaply! Last year, we invested over \$2,000 in each employee for professional development. 100% of our people (including me) are involved in some form of professional development. The PLM team completed 189 professional courses last year to earn a total of 54 insurance designations. Eight of our employees earned the prestigious CPCU designation, the insurance industry's premier credential. Those individuals are highlighted later in this report.

On top of that, we hold weekly in-house insurance training for all employees. Leadership development is required for all our leadership team, and we are big advocates of professional coaching. Why do we do all this? Our goal is to provide you with the opportunity to work with an unparalleled insurance professional that understands your business.

We were honored that several organizations recognized PLM corporately as well as some of our employees specifically. More details on the different awards we received in 2024 can be found later in this report. We are proud to be recognized as individuals, teams, and as a company for a variety of efforts.

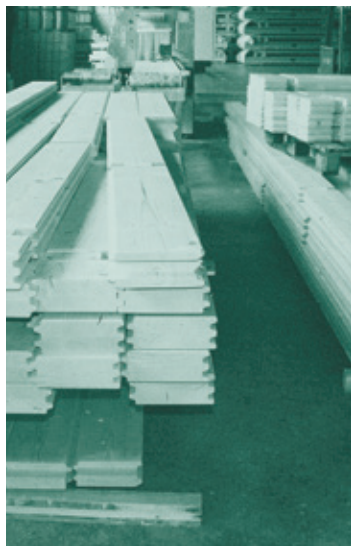
Our team, once again, spent an extraordinary amount of time outside the office, meeting with insureds and prospects both at their place of business and at trade shows. We participated in over 100 insurance-related shows and 134 wood industry shows. We remain extremely active and support over 75 wood industry groups in a host of financial and non-financial arrangements.

I would also like to take a moment to comment on the reorganization of our leadership team that was announced early in 2025. This is the first public step of transition within the organization for the future. This was a project that we have been working on for years behind the scenes. You can read full details on the reorganization in the PLM Officers section of the report.

IN GRATITUDE

I would like to take a moment to thank the 172 insurance professionals that make up PLM and Green Tree Risk Partners.





We've done our best to assemble a group that is elite within the insurance industry. Further, we have spent a considerable amount of time and energy developing their understanding of your business, the wood, lumber, and building materials industries.

Of course, I need to thank the brokers that have partnered closely with our insureds and PLM to ensure the best possible insurance program for our mutual clients' businesses.

Our Board of Directors also needs to be recognized. This past year they all successfully completed a training program that focused on mutual insurance company board directors. This is a testament to our commitment to professional development and how it includes all levels of our organization. Our board is a diverse and talented group that we've come to rely on for their counsel, wisdom, and guidance.

Finally, I'd like to thank you, our customers. Your confidence

in our company is deeply appreciated. You have not only shared with us literally hundreds of referrals but have provided us with a continuous flow of feedback. We welcome all your feedback, the positive and the negative, because it provides us with a learning opportunity to always improve.

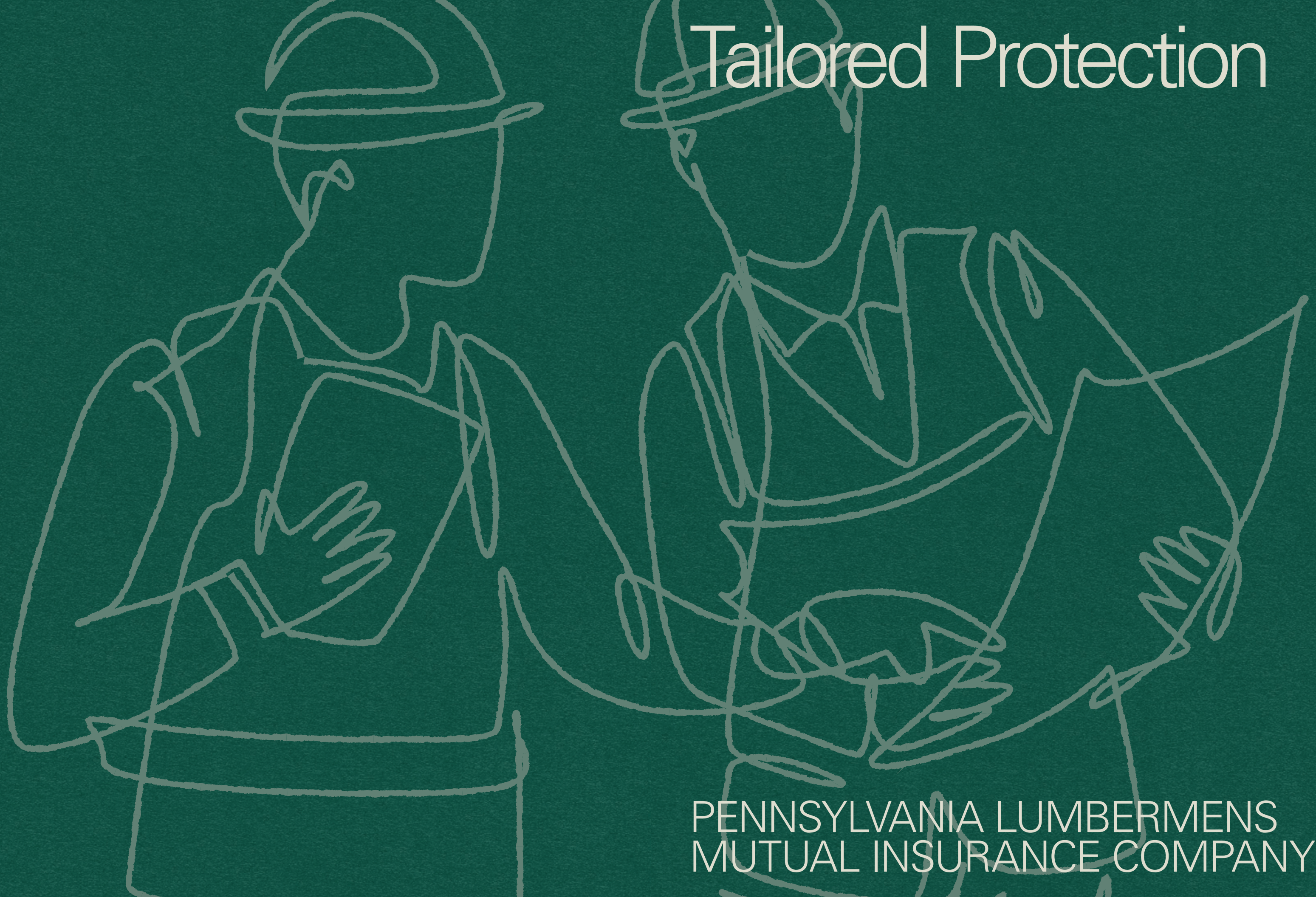
Founded 130 years ago "by lumbermen, for lumbermen", I have deeply valued the opportunity to lead PLM forward. We believe that we have been unfailing stewards of the charge laid down by our founders to serve the businesses of the wood industry with superior insurance products and services tailored to their specific needs.

JOHN K. SMITH, CPCU
PRESIDENT & CHIEF
EXECUTIVE OFFICER



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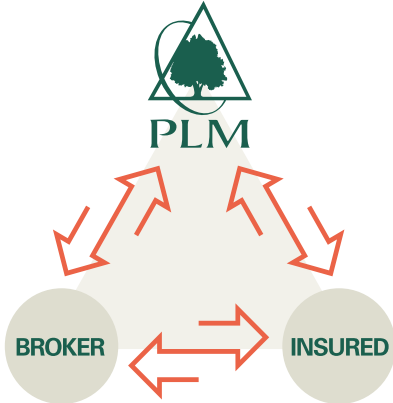
Tailored Protection



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

Profitable Growth

2024 marked a year of steady and responsible growth for our company – growth fueled not only by strong financial performance, but by our steadfast commitment to delivering exceptional service to the businesses we protect.



Our core business model is focused on building strong relationships with our insureds. These relationships form part of a triangular communication framework that includes our company, our insureds, and the brokers who represent them when working with PLM. This unique distribution model gives us a competitive edge and allows us to offer tailored insurance solutions that safeguard our clients' interests. In doing so, we ensure our financial stability and position ourselves for sustainable growth.

STRONG FINANCIAL PERFORMANCE

At PLM, profitability is not just about delivering bottom-line results, it is about creating long-term value for our policyholders, employees, and

stakeholders. In 2024, we were able to demonstrate a solid year of financial growth. Driven by a combination of strategic pricing, disciplined underwriting, effective claims management, and prudent investing, PLM's policyholder surplus, one key indicator of a mutual insurance company's financial health, crossed \$200 million for the first time in company history and finished the year at over \$218 million. The overall performance of the company has enabled us to continue investing in data and loss reserving initiatives that will further enhance our services, strengthen our position, and ultimately provide even greater value to our members.

Underwriting performance returned to profitability in 2024, a \$254,629 underwriting profit after dividends, reflecting the overall health of our portfolio. The company's strong underwriting discipline and loss control initiatives, combined with favorable market conditions, have allowed us to maintain underwriting profitability in seven of the last nine years despite external challenges. While posting an underwriting profit is certainly positive, work remains to be done here to strengthen results as PLM's return on equity/surplus in 2024 finished below target. If we take a moment for self-reflection, how many business owners would choose to continue operations with a return on equity of less than 1%? We need to do better, and the strategic actions taken by PLM's leadership in 2023 and 2024 have positioned the company for exactly that in 2025.

PREMIUM GROWTH AND MARKET POSITIONING

One of the key indicators of our success in 2024 was the growth of our premium base. We finished the year with a direct written premium of \$488.4 million, a 15% year-over-year increase, demonstrating the trust our customers place in our company and the value they see in the services we provide. This growth was driven by a combination of new business acquisitions and the retention of existing clients who recognize PLM's deep industry knowledge and expertise. As 90% of our insureds renewed and continued to place their trust in us, necessary rate and exposure changes with our existing insureds added \$61.4 million in additional premium.

We saw an additional 798 new policyholders with \$49.7 million in new written premium driven in by the influx of a record high total of 3,551 submissions. Core marketing efforts continued to support submission generation as we attended 134 wood industry shows, and we remained involved in over 75 wood trade organizations at the board, committee, and sponsor levels. Marketing efforts have also tapped into newer sources of leads, and we have found that, despite PLM's preeminence in the segment, our overall penetration is low (estimated 5.5%) providing a significant runway for future growth. This is a positive sign, as we evaluate not only premium growth, but also policy count growth when assessing the health of our organization. We ended the year



TYPES OF BUSINESSES WE WRITE

RETAILERS/WHOLESALEERS /DISTRIBUTORS



- Building Material Dealers
- Engineered Wood Products
- Exterior Doors & Windows (Property Only)
- Fence Manufacturers, Distributors, and Retailers
- Furniture Stores (Unfinished Furniture Only)
- Hardware Stores
- Hardwood Flooring
- Home Centers
- Imported Wood Products
- Lumber Brokers (Jobbers)
- Lumberyards (Retail/Wholesale)
- Masonry Yards
- Plastic/Composite Lumber
- Roofing & Siding Distributors

SAWMILLS & HEAVY MANUFACTURING



- Barrel Manufacturing (Cooperage)
- Debarker Mills
- Log Home Manufacturing
- Pallet Manufacturing
- Particle, Chipboard, OSB Manufacturing
- Planing Mills
- Plywood Manufacturing
- Sawmills
- Veneer Mills
- Wood Drying (Kilns)
- Wood-Mizer/Portable Sawmills

with 12,050 inforce policies, a 5.5% increase year-over-year.

We remain committed to profitable growth, not to growth alone, which means that we are very selective about the opportunities we choose to entertain. In 2024, we declined 62% of the opportunities submitted for review. That equates to over 2,000 opportunities we decided were not a good fit for PLM at the time. In the past, that meant that we could not provide a solution for those businesses. But today, as we work to position ourselves as the one-stop shop for the lumber and building materials industries, those opportunities now have additional options through our wholesale brokerage, Green Tree Risk Partners. As we expand the capabilities of Green Tree, we move closer to the ability to “never say no” to businesses in the industry that look to us for solutions. In 2024, we were able to further serve our insureds with more comprehensive insurance programs by placing 258 new workers’ compensation policies through Green Tree. In cases where we did not feel comfortable risking PLM’s balance sheet, Green Tree was able to step in and offer property and casualty solutions. By brokering coverages, lines of business, exposures, and limits that do not fit into PLM’s core appetite, we not only broaden our dominant position in the market but also provide the overall operation with a stream of non-risk revenue. We were pleased to see commission revenue grow by over 83% in 2024, though much work remains. As we continue to grow this revenue source, we are excited to develop additional solutions within the brokerage for our customers. Unbundled loss control services and program business are two such solutions on the horizon.

MANAGING CLAIMS

The number of new claims in 2024 decreased by 92 events (-2%), for a total of 4,519. Most encouraging was the drop in new auto claims (-8.8%), which have been the leading source of claims dollars particularly for large fleets in the building materials dealer segment. We remain focused on monitoring and mitigating completed operations general liability claims arising from installation activities (or subcontracted installations), as these were the main cause of a 15.4% increase in claim frequency on the general liability line.

While the number of claims was down in 2024, the cost of those claims was up 17%. This was primarily due to several large fires. Severity is inherent in the industries we serve, and large losses are reviewed monthly in cross-departmental meetings to identify potential opportunities and trends. On a positive note, fire frequency decreased by nearly 10%.

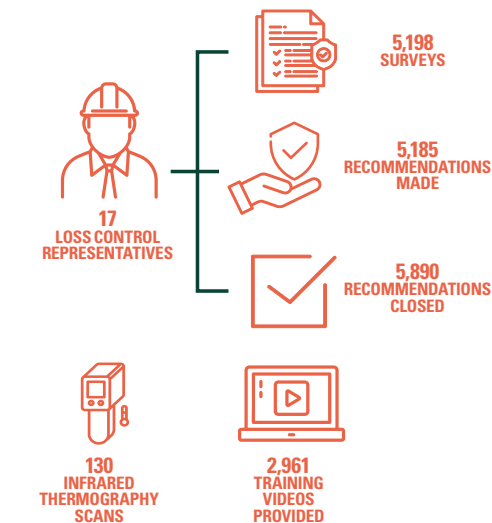
In 2024, loss adjustment expenses were up 14.5% driven almost entirely by the general liability line and the installation claims noted previously. Claims expense budgets will be controlled tightly this year as we work to reach our recovery (salvage and subrogation) target again, activities which netted \$4.4 million in 2024.

RISK MANAGEMENT AND LOSS PREVENTION STRATEGIES

One of the most significant factors in PLM’s ability to achieve profitable growth is our strong focus on risk management and loss prevention. In an industry where weather-related risks, workplace accidents, and supply chain disruptions can pose significant threats, our proactive and consultative approach to helping policyholders reduce their exposures has proven invaluable.

In 2024, our loss control engineers once again completed over 5,000 surveys with our insureds and provided just as many recommendations. We work together with our insureds to emphasize the consultative nature of these recommendations. They are not just an identification of hazardous conditions, but also a key tool for PLM to provide value to our customers by sharing our expertise and helping them to reduce their total cost of risk. This approach not only supports the long-term sustainability of our policyholders and strengthens the overall safety culture within the businesses we insure, but also contributes to the profitability of our company.

As an additional way of providing this consultative value to as many customers as possible, we continued growing the number of virtual loss control surveys provided to less complex risks and locations through a program we call Anytime Risk Management (ARM). This program allows insureds to complete a virtual survey when it best fits their schedule followed by the benefit of a PLM loss control review. In 2024, the number of completed ARM surveys increased by 153%, finishing the year



with 582 virtual surveys. We are excited about the potential the program has to deepen our relationships with more insureds than ever.

As climate risk increasingly impacts society and extreme weather events like wildfires, floods, and storms become more frequent and severe, we remain committed to working with customers to mitigate potential damage. We are also exploring new technological solutions where they can make a difference. In 2024,



we introduced a tool that helps identify roof condition deficiencies, a contributing factor in many wind and hail claims.

Another application of technology was focused on the commercial auto line, which continues to be a major source of claims, particularly for retail and wholesale businesses. In 2024, we implemented a telematics program as a fleet safety tool for over 20 businesses. The participants were supported by loss control service programs to monitor tool usage and promote safer driving habits. Early results are promising, and we will continue to monitor progress and explore opportunities to expand this initiative.

CUSTOMER-CENTRIC APPROACH TO SERVICE

PLM’s continued success and profitable growth are also a direct result of our customer-centric approach to service. As a mutual insurance company, we are driven by the needs and interests of our policyholders, always striving to deliver the highest level of service at every touchpoint. While the use of digital tools continues to grow, we recognize the importance of maintaining strong relationships with our insureds and brokers. We remain dedicated to

providing personalized, human-centered service.

We believe the quality of our service reflects the quality of our employees, which is why we continue to make significant investments in training and development. In 2024, PLM had 50 employees earn industry designations, with a total of 197 exams passed. We actively involve managers in professional coaching and hold leadership and training meetings five times a year. We also emphasize experiential learning, particularly in succession planning, as it supports leadership transitions, including those that took place at the start of 2025.

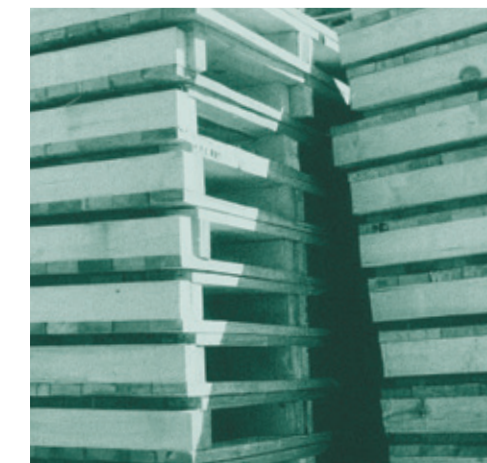
Our entire team of insurance professionals, from customer service representatives to our President and CEO, is always available to offer guidance and expertise. By empowering individuals to deliver the personal touch that has long been a hallmark of our service, we continue to meet the needs of our policyholders.

LOOKING AHEAD

As we reflect on our accomplishments in 2024, we are excited about the future of Pennsylvania Lumbermens Mutual Insurance Company.

Our solid financial performance, commitment to risk management, strategic positioning of Green Tree Risk Partners, and customer-focused approach to service have positioned us for continued growth in the years ahead.

We remain committed to the success of our policyholders and look forward to the opportunities that lie ahead. Together, we will continue building a stronger, more resilient future.



LIGHT MANUFACTURING



- Bat Manufacturing (Property Only)
- Box & Crate Manufacturing
- Cabinet & Casegoods Manufacturing
- Carpentry Shops (Property Only)
- Casket Manufacturing (Wood as the Primary Component)
- Church Pew & Altar Manufacturing
- Countertop Manufacturing
- Display & Exhibit Manufacturing
- Fence Manufacturing
- Furniture Manufacturing
- Ladder Manufacturing (Property Only)
- Laminated Wood Products
- Lathe Mills
- Millwork Manufacturing
- Mobile/Modular Home Manufacturing
- Modular Closet Shelving Units
- Moulding & Millwork
- Musical Instruments Manufacturing
- Stair Manufacturing
- Truss Manufacturing (Wood Only)
- Wood Flooring Manufacturing
- Wood Novelties Manufacturing
- Wood Products Manufacturing (NOC)
- Woodworking Shops

VISIT [PLMINS.COM](https://plmins.com) FOR A FULL LISTING OF THE TYPES OF BUSINESSES WE WRITE.



Coverage Solutions

GREEN TREE RISK PARTNERS
PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

Green Tree Risk Partners

2024 marked the fourth year of operations for Green Tree Risk Partners. As an in-house agency for PLM, it has allowed us to round out or reduce declinations of PLM accounts by placing property, casualty, workers' compensation, and other lines with alternative carriers who have an underwriting appetite for the various classes of business in the niche. What does that mean exactly? For example, when a submission comes into PLM that must be declined because it does not fit our appetite, we can refer it to Green Tree to find additional markets. In another instance, PLM may write the property line for an account but is unable to write the auto due to risk profile. We would be able to work through Green Tree to place the auto line through a different carrier. And finally, all PLM accounts can round out their coverage with workers' compensation placed through Green Tree.

Our goal is to ensure that our policyholders have the most comprehensive insurance program in place with the ease of a one-stop option through PLM and Green Tree Risk Partners. The process works seamlessly with Green Tree



working closely with our broker partners, while maintaining the in-house relationships with PLM Underwriters and Business Development staff.

Let's take a look at the agency's results in 2024.



In addition, Green Tree's property and casualty operations continued to expand in 2024. We were able to increase the property and casualty book by over 40% and retained 100% of the renewal business with premium retention strong at over 115%. Our retail brokerage operations have also finished the year strong, and we expect to continue to grow that unit in 2025.

Mid-year, we launched the Green Tree Lumber Group Dividend Plan with AmTrust. Through our partnership with AmTrust, we created a

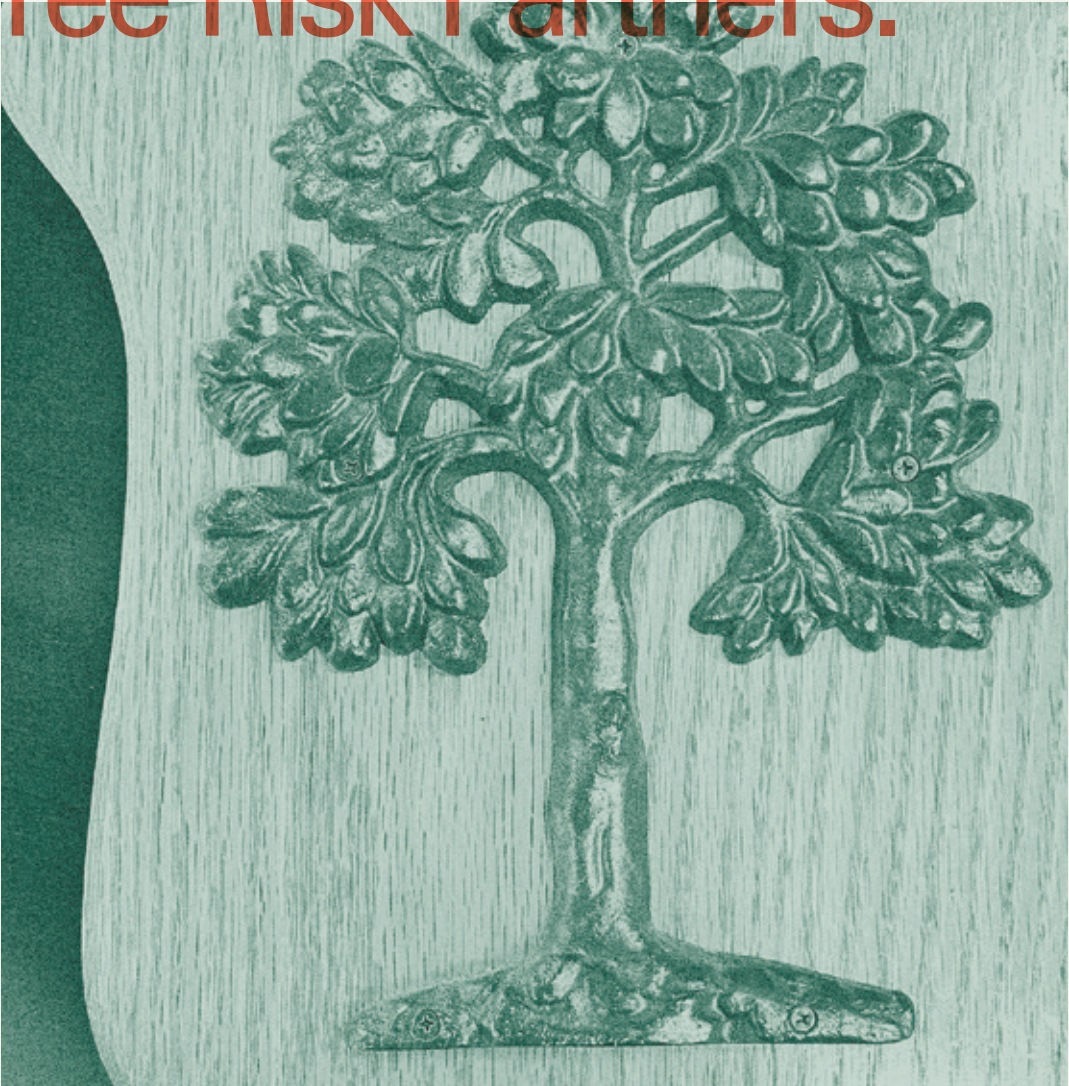
specially designed workers' compensation group dividend program exclusively for Green Tree workers' compensation accounts. This program was made possible because AmTrust recognizes the importance of partnering with an industry expert, much like the value policyholders gain from PLM. The program started on June 1, 2024, and has grown to over \$1.6 million in written premium. While dividends cannot be guaranteed, if the books were closed today, we would be paying the maximum group dividend of 20%.

The agency staff participated in professional development with several members earning designations including a Chartered Property Casualty Underwriter (CPCU), an Associate in Insurance Services (AIS), and a Workers' Compensation Professional (WCP). We maintained active memberships in Target Markets Program Administrators Association (TMPAA), Wholesale & Specialty Insurance Association (WSIA), and AMCOMP. The agency also participated in various state insurance agents' conferences and tradeshows in 2024 to further promote the well-rounded solutions that PLM and Green Tree Risk Partners can provide.

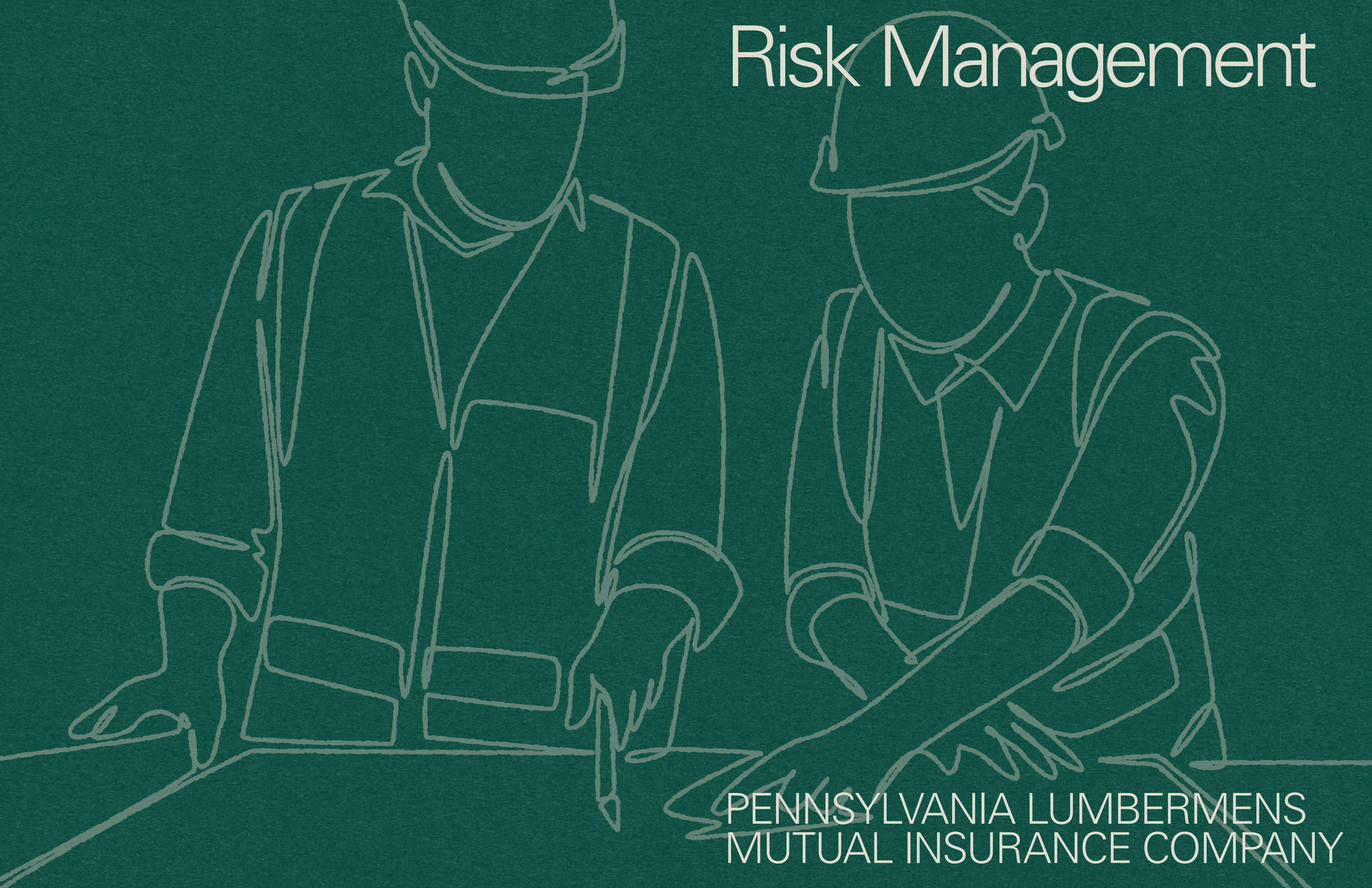
As we look to the future, our focus will be on growing, maintaining, and providing best-in-class customer service to our many customers and business partners. We will further our operations into new areas, including expanded

product offerings to better serve the needs of businesses in the wood industry. We see this as an opportunity to build on our proven record and to find additional solutions to protect our clients' assets both from a property and personnel perspective.

Our goal is to ensure that our policyholders have the most comprehensive insurance program in place with the ease of a one-stop option through PLM and Green Tree Risk Partners.



Risk Management



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

Enterprise Risk Management



Businesses across the country are facing rising unknowns due to expanding weather events, a changing workforce, unprecedented cyberattacks, and ever-fluctuating economic uncertainty. Business leaders must recognize these challenges, develop effective plans and procedures, and ensure the right people are in place to manage them. Benjamin Franklin, founder of our nation's first insurance company, is often credited with cautioning, "By failing to prepare, you are preparing to fail." Franklin couldn't have imagined life in the 21st century, but his warning still holds true over 230 years after his death.

So, how do we ensure that we are not "preparing to fail"? Through enterprise risk management.

Managing, mitigating, and controlling risk is essential to

any organization's long-term success. PLM's enterprise risk management program is deep and mature. It's living; it breathes. It's documented and embedded throughout all layers of our organization. Most importantly, it cements our ability to continue serving our customers, our employees, and the industries we serve.

BUSINESS CONTINUITY PLANNING

Throughout 2024, we were forward-focused as we operated within a new era of risk. One primary way to prepare ourselves was through business continuity planning, the wide-ranging process to develop a playbook for when a disruptive incident occurs. Each of our department's business continuity plans, as well as the corporate crisis

management plan, was reviewed for improvement opportunities. In addition, we held tabletop exercises across our organization to role-play test scenarios and our responses to them. An example of a tested scenario was what to do when there is a period of extended downtime or restricted access to one of our critical systems such as our policy system, claims system, or customer management system. Groups responded to questions such as how do we continue to service our policyholders and claimants? What preparation work can we do now? How do we develop alternative procedures or system workarounds? These are important questions to address now, rather than at the time of a disaster, and we encourage you to invest in incident management and preparation as part of your business continuity planning.

ECONOMIC CAPITAL MODELING

One of the leading assets for any insurance company, including PLM, is capital and policyholder surplus. Throughout 2024, we continued to advance our economic capital modeling program. Economic capital modeling allows for testing of capital strength in a probabilistic framework, but it also assists with growth strategy, reinsurance decisions, and asset allocation. This process supports the protection of policyholder surplus and aids in deploying capital to generate positive benefits for all stakeholders. A successful risk management program will effectively balance risk and opportunity. Through economic capital modeling, we are able to identify and maximize various opportunities by carefully analyzing the associated risks and

allocating capital efficiently. This consideration of the optimization of opportunities is an important component of an enterprise risk management program.

VENDOR GOVERNANCE

A comprehensive enterprise risk management program must evaluate external risks with the same resolve as internal ones. A principal example for organizations of all types and sizes is the governance of third parties, such as vendors or suppliers. These third parties often provide or perform critical services in addition to having access to company or customer data. Throughout 2024, we made strides in evolving our vendor governance program. This program ensures that risks are managed throughout the vendor onboarding, servicing,

data exchanging, and separation processes. It also ensures that sensitive and critical data is protected and preserved. We plan to continue to work in this area as our program matures in the years to come. As you look at the vendors in your own organization, consider how evaluating external stakeholders is an effective risk management tool as you maximize the value of your vendor relationships and reduce the overall risk throughout your supply chain.

THE RIGHT PEOPLE

No successful risk management program can operate without embracing the lifeblood of our organizations: people. The correct people must be in place and engaged to fully execute risk management. You must also consider the future of your

organization. Who are the right people to carry the torch, invest in the vision, and achieve strategic objectives? Throughout 2024, we continued our commitment to employee growth, both personally and professionally, and our investment in talent development. We've mitigated the risk of personnel gaps and technical knowledge limitations while protecting our position as industry-leading experts. As discussed in greater detail in this report, succession planning and preparing for our mutual future are top of mind at PLM. As you look at your own business, we encourage you to assess the people risk in your organization, lead a risk-focused culture, and empower the workforce of tomorrow.

There are many other risk categories that we addressed in 2024, and are discussed in further detail throughout other sections

of this report. We are proud of our risk management execution in the areas of reinsurance, cyber security and preparedness, investment strategy, and maturation of agency operations. As we look to the future, PLM maintains an emerging risk watchlist to remain informed and vigilant of changing environments. Examples from this new era of risk include judicial and political shifts, financial and market trends, changing regulations and heightened compliance measures, and the growth of data and artificial intelligence. An extensive and wide-ranging risk management program is necessary for today's business organizations to address evolving environments.

Enterprise risk management protects our customers, our employees, and the success of tomorrow. We encourage you to invest in tomorrow.

Cyber Security

In 2024, we stayed true to a focused commitment to training, best practices, awareness, and security tools to minimize the risk to the company and our customer data. Like many organizations, our cybersecurity risk was high throughout the past year and continues to remain high. Ransomware attacks, exploits of technical vulnerabilities, and phishing continue in volume and complexity. The implications of third-party incidents are on the rise, interwoven among the



connectedness of business services and third-party applications. Our industry remains a target for cybercrime, particularly for personal lines where there are large volumes of personal data. It is expected that cyberattacks will continue to grow and become more complex, especially as artificial intelligence (AI) capabilities are maturing in cyber criminals' toolboxes.

Looking at this past year, the following are highlights of our security-related initiatives:

- › Replaced our virtual private network (VPN) with a next generation system that prevents non-PLM systems from accessing our PLM and Microsoft controlled environments.
- › Continued decommissioning steps on legacy systems and applications to shed the security vulnerabilities that exist on older systems that can no longer be patched and secured effectively.
- › Converted our continuous threat monitoring system to a new technology to consolidate tools, increase functionality, improve reporting, and reduce reliance on custom technology and skills.
- › Implemented a virtual CISO platform, provided by our security partner, to actively manage our cyber practices and benchmark against industry standard cyber frameworks.
- › Piloted a security tool to strengthen defense against internet browsing vulnerabilities.

- › Developed policies for Artificial Intelligence (AI) and Security Awareness and Training.
- › Rolled out cyber training on mobile phones to increase flexibility and encourage optional training.
- › Conducted annual cyber compliance: risk assessment, ethical hack/penetration test, BCP (Business Continuity Plan) test, cyber incident response, security awareness proficiency assessment, and annual IT policy review and update.
- › Conducted a new survey for user satisfaction with cyber training.
- › Launched a Broker Cyber Security Review program under IT Vendor Management.

In addition, we achieved our goal to reduce our overall people risk score with a three-point improvement in 2024. This is an impressive ten-point improvement from 2022. Our 2024 phishing tests outperformed the insurance benchmarks. Our CISO (Chief Information Security Officer) advisor notes that the engagement of our senior leadership team, when compared to other organizations, provides exceptional support for sustaining a cyber-resilient culture. PLM is focused from every employee to senior leadership on the importance of cybersecurity. Here are some of the activities in 2024 specific to cyber culture and education:

- › Achieved 100% completion of monthly awareness training with topics including AI, remote work, travel, holiday awareness, business email compromises, social engineering, and reporting suspicious activity.
- › Participated in Security Awareness Month with prizes awarded to employees who demonstrated the most proactive approach to the weekly training.
- › Conducted a Security Culture Survey that showed improvements in the perception of cyber security awareness with employees outperforming the industry benchmark by 4%.
- › Delivered additional testing for at-risk individuals or departments. One-on-one meetings were held for "chronic clickers" and specific risks reviewed quarterly with each department leader.
- › Conducted quarterly cyber status and awareness sessions with all managers and several departments.
- › Executive staff continue to advocate for cyber security at weekly town halls and company meetings.

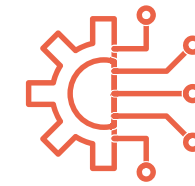
Despite all cybersecurity actions, PLM experienced several incidents originating from third-party service providers in 2024.

In June, a provider of various business services and advisory solutions experienced a data breach that exposed the personal data of two PLM employees/retirees. This company was flagged as a risk in 2021, where they were reviewed and monitored annually. They provided evidence of satisfactory practices several months prior to the incident. After

PLM SYSTEMS



1.2T
DATA POINTS ANALYZED FOR POTENTIAL THREATS



796,000
INSTANCES FLAGGED FOR FURTHER REVIEW



27,000
SENT TO A HUMAN FOR DEEPER ANALYSIS



120
ITEMS IDENTIFIED AS CYBER ATTACKS AND REQUIRED ACTION

reviewing the root cause of the data breach and given the history, we recommended that this vendor be replaced.

Additionally, there were data exposure incidents with two claims attorney firms who are currently conducting forensic evaluations of the data breaches. Each has open caseloads with PLM. For now, we have put on hold any new cases with them until they have completed their investigations. As of year-end, two other third-party vendors have been flagged for cyber risk. Replacements for these vendors are being evaluated.

Although not cyber-related, PLM was impacted by the CrowdStrike global outage that affected millions of computer systems worldwide. Our claims system was unavailable for nearly a full business day. The incident shows the impact of a single oversight of a third party. It serves as a reminder of the importance of rigorous quality assurance testing and validation processes.

Our monitoring and alerting processes operate continuously.

In 2024, on a monthly basis, we averaged 100 million events recorded by the system which generated 66,000 alerts. 2,300 alerts required additional investigation and an average of 10 alerts per month required escalation to the level of PLM managerial review. Most were found to be benign. None resulted in an incident.

Vulnerability scans run monthly against servers and laptops to ensure patches are applied. Over the last 12 months, our vulnerabilities have reduced by 41%. We are constantly reminded by our advisors to remediate our old servers where majority of the issues remain. We are fine tuning our patching automation and improving the behavior of our scanning for when systems are not connected to the network.

As part of our annual risk assessment, our penetration test or "ethical hack" was completed to evaluate our security controls externally, internally, on our website, our "public cloud" in Azure, and in our physical office. The testing revealed several vulnerabilities including a successful phishing attack, weak passwords on a few internal service accounts, gaps in several Windows settings, and a few deficiencies on our website. Technology, controls, and alerts were in place that would have trapped the hacker, but steps were immediately taken to remediate the issues. Staff that were tricked by the testers subsequently received one-on-one coaching.

PLM's cyber practices and projects are positioned to stay ahead of new regulations where practical. This past year, three

additional states adopted the NAIC (National Association of Insurance Commissioners) Insurance Data Security Model Law, with two states pending adoption. The intent of the model is to establish standards for data security by requiring insurers to develop, implement and maintain an information security program; investigate any cybersecurity events; and notify the state insurance commissioner of such events. The NY DFS (Department of Financial Services), slightly stricter than the NAIC, published tighter requirements phasing over an 18-month period. The Department is actively reinforcing the regulation and imposing a \$1 million penalty against a title insurance company. We are automatically tracking our controls against the NY DFS and other similar standards.

As we look forward, our strategy in 2025 continues with the more granular aspects of protecting data and with increased training to keep pace with the intricate and targeted social engineering techniques emerging today. Training will evolve with more difficult phish tests. We will use AI to target training at the individual level. IT will be trained in stricter development standards. Our cyber practices will become more focused on additional layers of protection based on data sensitivity and we will standardize access to data based on defined roles. We will complete the rollout of advanced internet browser security from the pilot group to the company. We must finish the large legacy migration and decommission old servers. We need to become more aggressive on data archiving. We need

to accelerate our progress in extending our "zero trust" access beyond the systems we control to our cloud-based partner systems. We will continue learning from incidents such as CrowdStrike that demonstrate how a single vulnerability can have a tremendous impact.

As outsourcing and virtual businesses and relationships continue, we need to figure out ways to control what we can among the complexity of the network of third parties doing business with fourth and fifth parties. We will continue to support vendor management for all business services with cyber due diligence and routine monitoring. We need to push ourselves and our partners harder to mitigate issues we flag and accelerate replacements if we are not satisfied. We look forward to our internal audit in 2025 that focuses on data governance to engage the entire company and continuously improve the safety and usability of our data assets.

We see all these objectives as imperative, as we continue to focus on implementing the industry's best practices to secure our business and protect the data of our employees and our customers.

OUR PEOPLE



7,953
SUSPICIOUS EMAILS REPORTED

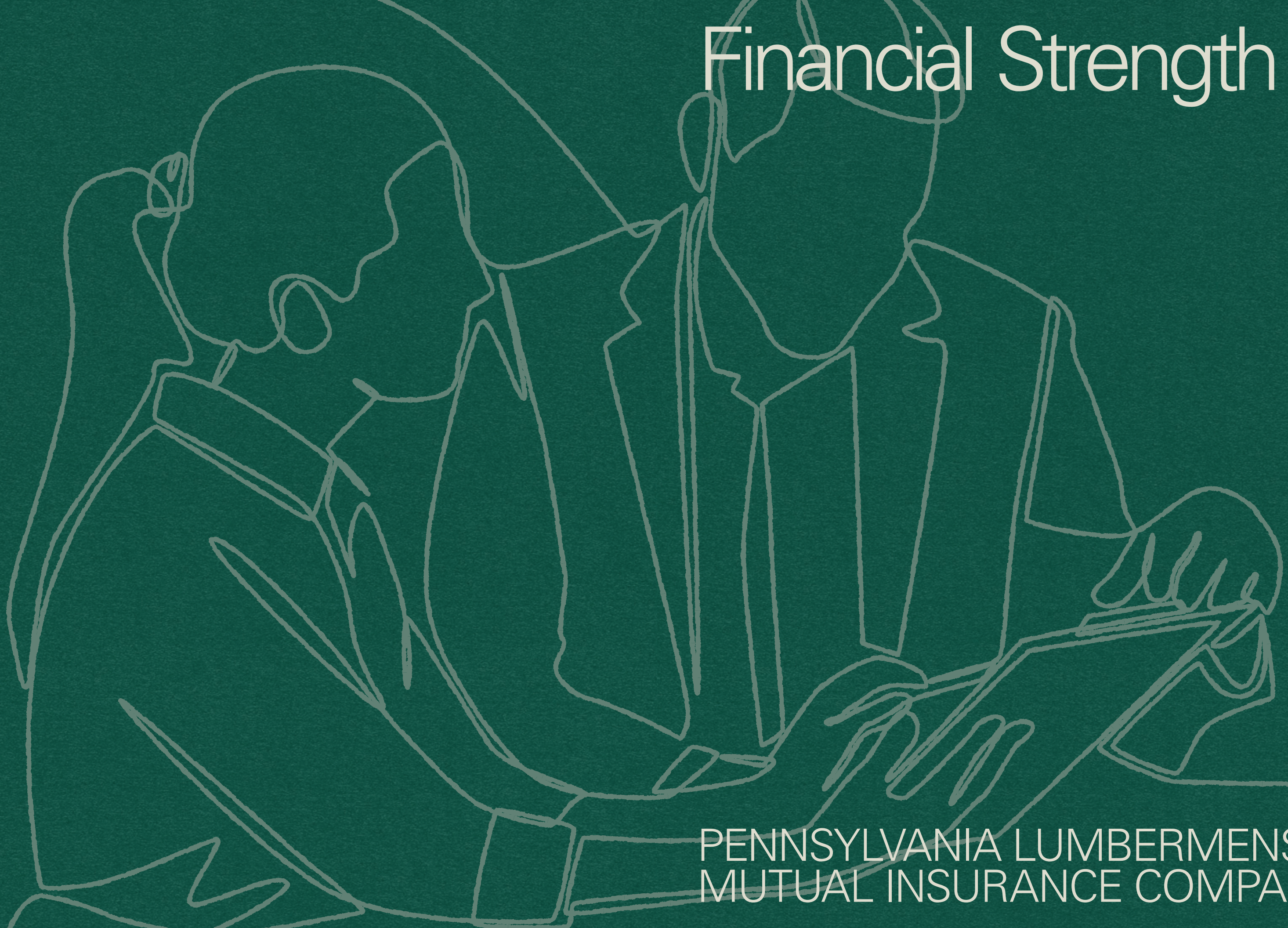


1,085
CONFIRMED AS THREATS



20
CYBER-RELATED ONLINE TRAINING PROGRAMS

Financial Strength



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

Cash flow from operations provided our investment portfolio with a great base to continue the charge of investing and growing our assets. This past year we saw inflation drop and the Federal Reserve decreased interest rates three times. With these results, our portfolio grew by an astonishing \$71.8 million in statutory financial statement value.

In 2024, interest rates began to decrease but we were able to maximize our income from purchasing higher yield bonds from previous years. Our cash flow in bonds and equities provided a steady stream of income to reinvest within our portfolio. Corporate bonds represented 65% of our Net Investment Income of \$21.5 million. The growth in assets produced an increase of \$5.2 million in income. Net cash generated by underwriting activities and investment income receipts totaled \$78 million.

Even as interest rates continue to decrease throughout 2024, Treasury yields, particularly the 10-year continued to increase. With the equity markets performing well again, the PLM portfolio was set to succeed and reach new heights. The markets contributed to a positive year-to-date return for our 2024 investments.

Equity securities reversed course from 2023 and increased \$12.6 million in our portfolio. As our portfolio appreciated value, we realized gains of \$2.6 million to diversify and further strengthen our investments.

The Investment Committee of our Board of Directors meet frequently to make key decisions for portfolio allocation, security quality, and fixed income duration. Our current portfolio mix remains close to 83% fixed income/17% equity and other investments. This is another example of how our Board of Directors commitment to our enterprise risk management strategy is followed.

We were able to capitalize on the market conditions, and we ended December 2024 with our portfolio at an all-time high of \$569.3 million.



We were able to capitalize on the market conditions, and we ended December 2024 with our portfolio at an all-time high of \$569.3 million.



Financial Statement

In 2024, PLM continued to strengthen the balance sheet and establish growth while achieving an underwriting income. We are pleased to report that we have generated an underwriting income in seven out of the last nine years. With great balance from our investments, we reported Net Income for the 11th consecutive year!

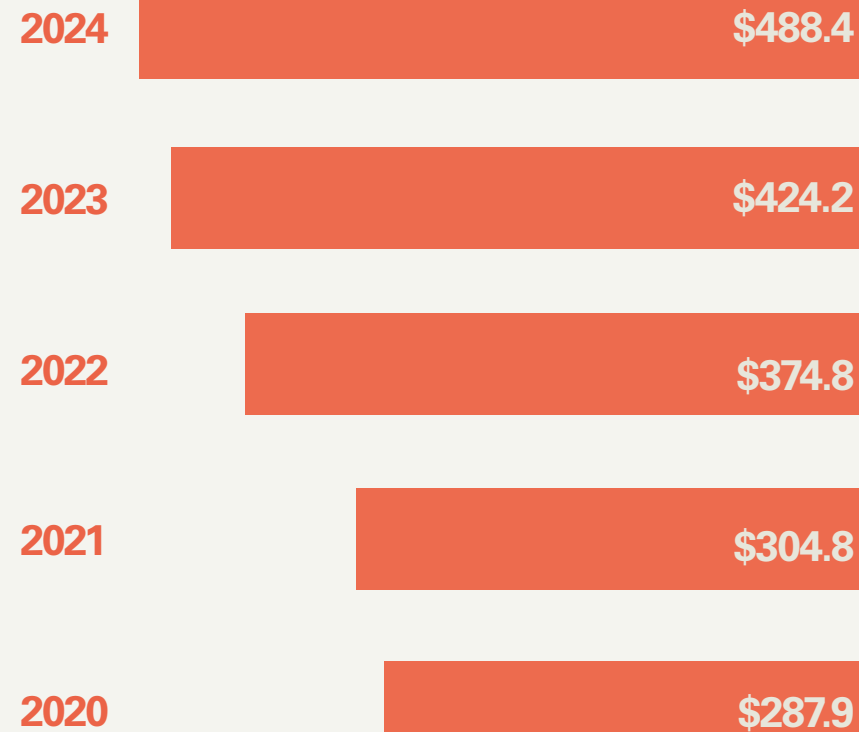
Total admitted assets topped the prior year's growth and increased \$90.8 million to \$771.1 million, which was an all-time high. These types of results allowed us to add more protection to our liabilities which increased \$66.7 million. Even though our liabilities increased, PLM's policyholder surplus increased \$24.1 million to \$218.4 million which was also an all-time high.

The 13% increase in our assets is largely due to the mark-to-markets of our investments. Our equity portfolio was a bright side and increased \$12.6 million over the year. Additionally, premiums receivables grew by \$23 million which is not surprising considering the premium growth that was recognized during 2024. These results helped support PLM's successful year.

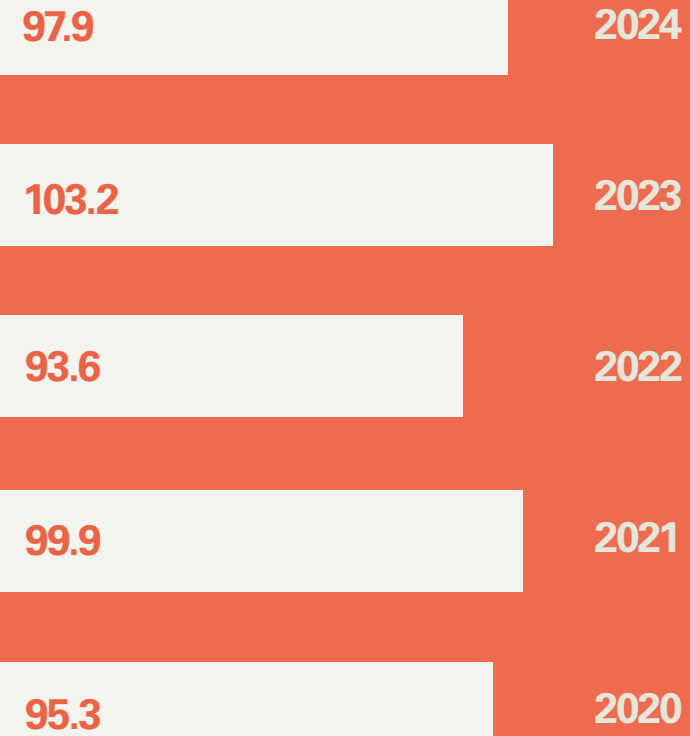
Looking into our liability side, we wanted to strengthen our reserves and protect our insureds. As a result, we increased our total reserves by \$41.3 million, and two-thirds of the increase was due to IBNR reserves. This is reflective of management's conservative approach to staying prepared. The \$23.3 million increase in unearned premium reserves is due to the premium growth that we have been fortunate enough to report.

The results of our balance sheet continue to support the conservative approach that management has been displaying for years, which echoes our commitment to always having the best interests of our stakeholders in mind.

DIRECT WRITTEN PREMIUM (\$ in Millions)



COMBINED RATIO (%)



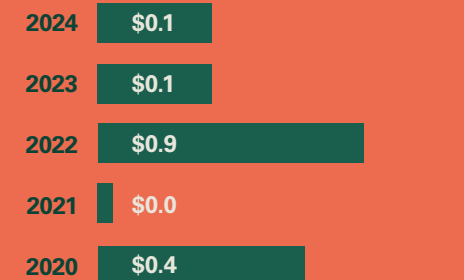
ANNUAL LOSS RATIO (%)



YEAR END SURPLUS (\$ in Millions)



DIVIDENDS (\$ in Millions)



**CONDENSED COMPARATIVE
STATUTORY BALANCE SHEET**
2024 VS. 2023 (\$ in Millions)

ASSETS	2024	2023	2024 vs. 2023 CHANGE
INVESTMENTS AND CASH			
Fixed Income Securities (at amortized cost)	\$430.1	\$333.4	\$96.7
Equity Securities (at market)	86.2	73.6	12.6
Cash, Short Term and Other Investments	53.0	90.6	(37.6)
TOTAL CASH AND INVESTMENT	569.3	497.6	71.7
RECEIVABLES			
Premiums Due	169.5	146.7	22.8
Reinsurance Recoverable on Paid Losses	17.7	22.2	(4.5)
Accrued Investment Income	4.1	3.0	1.1
TOTAL RECEIVABLES	191.3	171.9	19.4
Other Assets	10.5	10.8	(0.3)
TOTAL ASSETS	\$771.1	\$680.3	\$90.8
LIABILITIES AND SURPLUS			
LIABILITIES			
Loss Reserves	\$307.1	\$265.7	\$41.4
Unearned Premium Reserves	195.2	171.9	23.3
Premium Due Reinsurers	19.6	16.1	3.5
Expenses Payable and Other Liabilities	30.8	32.3	(1.5)
TOTAL LIABILITIES	552.7	486.0	66.7
SURPLUS	218.4	194.3	24.1
TOTAL LIABILITIES AND SURPLUS	\$771.1	\$680.3	\$90.8

**CONDENSED COMPARATIVE
STATUTORY OPERATING RESULTS**
2024 VS. 2023 (\$ in Millions)

	2024	2023	2024 vs. 2023 CHANGE
Premiums Written – Direct	\$488.4	\$424.2	\$64.2
Premiums Written – Net	\$276.8	\$248.9	\$27.9
Premiums Earned	\$253.5	\$247.6	\$5.9
Losses Incurred	194.3	201.2	(6.9)
Expenses Incurred	58.9	54.5	4.4
TOTAL LOSSES AND EXPENSES	253.2	255.7	(2.5)
Underwriting Profit/(Loss)	0.3	(8.1)	8.4
Dividends	0.1	0.1	--
Underwriting Profit/(Loss) After Dividends	0.2	(8.2)	8.4
Net Investments Income	21.3	16.1	5.2
Pre-Tax Operating Income	21.5	7.9	13.6
Realized Gains & Other	3.9	4.8	(0.9)
Pre-Tax Income	25.4	12.7	12.7
Federal Income Taxes	6.6	7.4	(0.8)
Net Income	18.8	5.3	13.5
Change in Unrealized Gains (Net of Tax)	5.6	8.2	(2.6)
Other Surplus (Decrease)	(0.3)	(0.4)	0.1
Change in Surplus	\$24.1	\$13.1	\$11.0
Total Surplus	\$218.4	\$194.3	\$24.1
% Increase in Surplus	12.40%	7.2%	

Industry Support



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

Charitable Giving

One of the values of PLM that we are most proud of is the culture of caring within the organization. We understand the responsibility every company has toward the communities and industries it serves, and our employees embody this through both their time and financial contributions. Through volunteering, fundraising events, and our annual United Way campaign, we actively demonstrate our commitment to making a positive impact. To further support our employees' generosity, PLM matches all donations dollar-for-dollar.

Beyond financial giving, our employees engage in volunteer activities throughout the year in Philadelphia, Indianapolis, and Boca Raton. Whether it's preparing meals, assembling care packages, or painting walls, our team is eager to support causes close to their hearts. In 2024, 55 employees volunteered at the following organizations, helping to strengthen their communities:

- › Boca Helping Hands – Boca Raton, FL
- › Cradles to Crayons – Philadelphia, PA
- › Firefly Children & Family Alliance – Indianapolis, IN
- › Gleaners Food Bank of Indiana, Inc. – Indianapolis, IN
- › MANNA – Philadelphia, PA
- › Ronald McDonald House – Philadelphia, PA
- › Mighty Writers – Philadelphia, PA
- › The Salvation Army Greater Philadelphia Area – Philadelphia, PA

We were excited to take part in several fundraising events in 2024. In May, PLM participated in the Leukemia & Lymphoma Society Big Climb Event for the first time. The event was held at Lincoln Financial, the stadium for the Philadelphia Eagles. A team of eight PLM employees joined together for this event where they climbed the outdoor stairwells, ramps, and the inside of the stadium. Together, they were able to raise almost \$32,000 to support lifesaving research and help blood cancer patients get the resources they need.



In the summer, we once again participated in the yearly Insurance Softball League of Philadelphia. The league culminates in an annual tournament where Philadelphia-based insurance carriers, brokers, and law firms come together to play and raise money for the Philadelphia Children's Alliance (PCA), a nonprofit dedicated to responding to incidents of child abuse and providing support

and therapy to victims. The league as a total raised over \$75,000 for the PCA, and we happily conceded the first-place fundraising trophy to the Old Republic team after a neck and neck friendly competition throughout the tournament. Our Philadelphia-based team is looking forward to the new season for the chance to play softball once again while raising funds for such a worthy cause.

At the beginning of October, we launched our annual United Way campaign, the cornerstone of our giving program. Our partnership with United Way involves a month-long drive with pledges, fundraisers, contests, and more to raise money for local charities and nonprofit organizations. 2024 was our fourth year in a row of 100 percent employee participation! Before the company match, 170 employees pledged \$87,213.44, an average pledge of \$513 per employee. PLM matched these pledges at \$1.50 per \$1 for existing employees and \$2 per \$1 for new employees who joined in 2024. After the PLM match, donations from retirees and our



PLM 2024 UNITED WAY CAMPAIGN RESULTS



board members, and additional money made through fundraisers, raffles, and contests, we raised a total of \$229,775 in our 2024 United Way campaign. Employees were able to direct their donations toward the nonprofits that are most important to them and funds were allocated to over a hundred different nonprofits in the United Way network. We were also excited to welcome 37 PLM employees who stepped up as Leadership Donors, a program for those who donate at least \$1,000 per year. We are truly grateful for the generosity of the PLM team and for everyone who played a part in our successful 2024 campaign.

At PLM, our culture of caring drives us to make a positive impact on the communities we serve. Through employee generosity, volunteer efforts, and partnerships with local organizations, we're proud to support causes that matter. As we continue to give back, we are committed to making a lasting difference and building a stronger, more compassionate future together.

CHARITABLE ORGANIZATIONS

- Alzheimer's Disease and Related Disorders Association, Inc.
- Any Baby Can of San Antonio, Inc.
- Architectural Woodwork Institute Education Foundation (AWIEF)
- Barnes Foundation
- Beaumont Retirement Services, Inc.
- Boca Helping Hands
- Carolina Caring Foundation
- Chesapeake Bay Foundation
- Children's Global Health Fund
- Children's Hospital of Philadelphia (CHOP)
- Colby College
- Cradles to Crayons
- Crescent Springs Presbyterian Church
- Cristo Rey Philadelphia High School
- Firefly Children and Family Alliance
- Fireman's Hall Museum
- First United Methodist Church
- Gamma Iota Sigma
- George Washington's Mount Vernon
- Gleaners Food Bank of Indiana, Inc.
- Hampden-Sydney College
- Hardwood Federation
- Hopeworks
- Insurance Library Association of Boston
- Insurance Society of Philadelphia (ISOP)
- Jack M. Barrack Hebrew Academy
- Jewish Federation of Greater Philadelphia
- Kodiak Building Partners Foundation
- Leukemia & Lymphoma Society
- Manufacturing Woodworkers Association of Greater New York
- Metropolitan Area Neighborhood Nutrition Alliance (MANNA)
- Metropolitan Golf Association
- Mighty Writers
- Museum of the American Revolution
- National African American Insurance Association (NAAIA) Foundation
- New Hope Baptist Church
- New York Law School
- Pennsylvania Horticultural Society, The
- Philabundance
- Philadelphia Children's Alliance
- Philadelphia Education Fund
- Project HOME
- Rider University
- Ronald McDonald House Charities of the Philadelphia Region
- Salem Museum & Historical Society
- Salem Presbyterian Church
- Salvation Army, The
- Second Helpings
- St. Francis-in-the-Fields Episcopal Church
- St. James School
- St. Michael's Lutheran Church
- Structural Building Components Association (SBCA)
- Sweet Briar College
- Union League of Philadelphia, The
- United Jewish Appeal (UJA) - Federation of New York
- United States Golf Association
- United Way of Greater Philadelphia & Southern New Jersey
- Washington Crossing Council, Boy Scouts of America (BSA)
- West Trenton Presbyterian Church
- Wings for Life USA
- Wittenberg University
- Wounded Warrior Project

Industry Sponsorships

At PLM, we don't just focus on charitable efforts -- we're committed to supporting the industries we serve. To uphold our promise to policyholders, we recognize that the success of both the insurance and lumber industries is crucial to our continued growth.

We actively invest in the future of insurance by sponsoring key organizations that promote education and industry

Companies (NAMIC) Mutual Insurance Foundation Scholarship helps introduce students to the vital role mutual companies play in the insurance landscape, opening doors to diverse career opportunities within the industry.

For the past six years, we've partnered with Cristo Rey Philadelphia High School through their Work-Study Program, offering real-world work experience to students from underserved backgrounds.

This collaboration has allowed us to mentor and challenge young women and men in the area through work experience and exposure to the insurance industry. Since we began this partnership, we have hosted a total of 19 students. It's been a rewarding experience, and we're proud to support and nurture the workforce of tomorrow.

Our commitment also extends to the lumber and wood

development. We proudly support groups like The Insurance Society of Philadelphia, Gamma Iota Sigma, The Institutes, and The CPCU Society, helping to foster the next generation of insurance leaders. Additionally, our sponsorship of the National Association of Mutual Insurance

industries, where we sponsor and collaborate with a variety of associations. As a mutual company and a service provider specifically to lumber and wood businesses, we understand the importance of knowing our customers, their unique

needs, and the needs of the industry. Our representatives actively engage in industry events, serving on boards and committees to further the goals of wood-related associations across the U.S. Through these efforts, we share our expertise to help these organizations grow and thrive.

Education and development remain at the heart of our support. From sponsoring the North American Forest Foundation's *Truth About Trees* program and the *Forever Forests* exhibit to supporting initiatives like Wood on Wheels and the Real American Hardwood Coalition, we strive to promote sustainability, educate future generations about the importance of responsible forestry, and endorse the many benefits of real wood products to consumers. We also support women in lumber groups, next generation groups, and various PACs and organizations that advocate for the legislative interests of lumber and wood businesses, including NLBMDA and The Hardwood Federation.

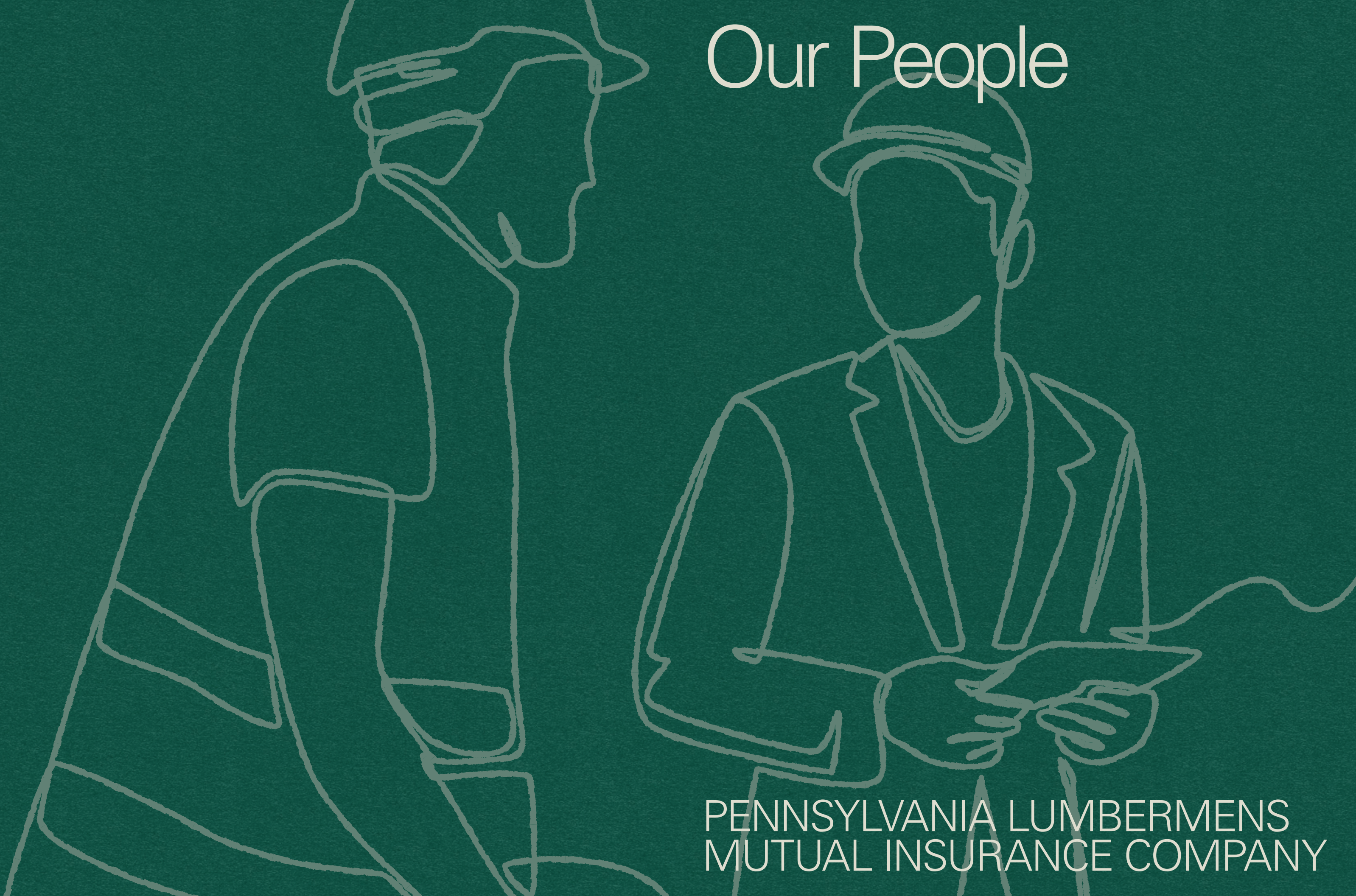
At PLM, we're not just invested in the present — we're actively shaping a future where both the insurance and lumber industries continue to flourish. By nurturing education, fostering leadership, and empowering the next generation of professionals, we're ensuring a legacy of growth, sustainability, and innovation. Our commitment extends beyond business; it's about building a strong, resilient foundation for the industries we serve and the communities we support.



As a mutual company and a service provider specifically to lumber and wood businesses, we understand the importance of knowing our customers, their unique needs, and the needs of the industry.



Our People



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

David Adams	Alexandria Craig	Carey Gillen	Samuel Matthews	Allison Schuchaskie
Gregory Anderson	Aubrey Crowder	Keia Gilliam	Karen McAllister	Tanya Schuetz
Joseph Armour	Lynn Crutchfield	Sheila Gjevre	Rachel McCarthy	Barbara Schuster
Thomas Baran	Michael Culbreth	Michael Gonzalez	John McGettigan	Michael Seiwert
Traci Barber	Eleanor Curry	Marisa Gothie	Sandra Meier	Erin Selfe
Stacy Barley	Nicholas Cusato	Cindi Graat	Jessica Melucci	Regina Serapiao
Angela Bauer	Jennifer Danielian	Michael Greenhall	Audrey Miller	Karen Sewell
Alex Beyer	Leslie David	Natalie Griffith	Chayla Monroe	Benjamin Shafer
Jill Blocker	Diane Della Pia	Amelia Guerra	Christopher Moran	Andrew Siminerio
David Borgeson	Sally Delp	Richard Hall	Keith Mosher	Ryann Simmons
Robert Bostic	Lindsey DiGangi	Christopher Healy	Charlene Mount	Sondra Skibiak
Ty Bowers	Joseph Donnelly	Stephen Hicks	Terry Murphy	John Smith
Lisa Bragg	Deana Dorsey	Ranada James	Kimberly Murray	Gregory Smith
Daniel Braiman	Rebekah Douglas	Harold Jamison	Capri Murray	Sydney Stenson
Tyler Brainerd	Jaya Echevarria	Scott Johnson	Lavondah Muse	Kelly Sullivan
Sean Briscoe	Monica Eguiguren	Jessica Johnston	Emiliano Navarro	Rita Taylor
Tonya Burroughs	Christopher Erb	Zane Johnston	Colleen Noss	Donna Taylor
Rasheed Byrd	Joanha Escobar	Cassandra Joiner	Stephone Oakley	Brian Telker
Todd Byrd	Theresa Escott	John Kennealy	Laurie Oncale	Lauren Theriot
Kristina Calcagni	Michael Evans	Loretta Kephart	William Osborne	Gregory Thomas
John Campos	Jeffrey Evans	Erin Keyser	Vincent Pace	Jun Tomagan
Claudette Cannatella-Ferazzoli	Joseph Fabii	Matthew Kienholz	William Page	Kimberly Wallace
Julian Carroll	Charles Fairweather	Tricia Kilrain	Jack Paris	Grace Werner
Kevin Cattell	Stephan Firko	Peter Kim	Karen Parker	Yvette Wilson
Lori Chaney	Bridget Fisher	Minjae Kim	Kristen Price	Sue Winstel
Susan Cho	Janice Fisher	Hope King	Marija Ramon	Sean Wood
Louis Chow	Daniel Fosnot	LeAnn Kish	Michelle Revelle	Michelle Woodruff
Anna Cialone	Carissa Franklin	Christine La Sala	Nicole Reynolds	Christine Woodward
Gail Colby	Tricia Freeman	Tammy Landers	Pamela Reynolds	Dean Yingling
Kelly Conlan	Debbie Fuller	Nicholas Lawlor	Esmeralda Rivera	Michael Zdrojewski
Michael Conlin	Scott Gager	Arlen Lewis	Jessica Rocha	David Zeigenfuss
Carla Corrado	Angelo Ganguzza	Regina Lopresti	Joseph Roche	
Domenic Costa	William Gardineer	Maria Lubbers	Ray Rogers	
Owen Coyle	BJ Gardner	Syed Mahmud	Veronika Rosenbaum	
	Judith Geonie	John Marazzo	Donna Scardelli	

FIVE YEARS

MICHAEL CONLIN
NICHOLAS CUSATO
JENNIFER DANIELIAN
MONICA EGUIGUREN
ANGELO GANGUZZA
CAREY GILLEN
KEIA GILLIAM
JOHN KENNEALY
LORETTA KEPHART
SANDRA MEIER
STEPHONE OAKLEY
NICOLE REYNOLDS
DONNA SCARDELLI
MICHAEL SEIWERT

TEN YEARS

ALEX BEYER
DAVID ZEIGENFUSS

TWENTY YEARS

SALLY DELP



Education/Awards

At PLM, we know that strong relationships drive success in our business — and strong relationships start with a knowledgeable, skilled, and engaged team. That’s why we invest in the continuous growth of our people, ensuring they have the expertise to better support you, your business, and our operations.

Education is at the heart of this commitment. It shapes our non-financial corporate goals and is a key part of our organization’s culture. In 2024, we achieved 100% employee participation in our professional development initiatives, setting a new record for exams taken and designations earned. By continuously investing in our greatest asset — our people — we’re not just strengthening our business; we’re ensuring that our customers and brokers are supported by highly skilled, knowledgeable professionals who bring expertise and excellence to every interaction.

In 2024, 50 employees earned a total of 53 designations and certifications, reflecting our commitment to professional growth. Among them, eight achieved the prestigious Chartered Property Casualty Underwriter (CPCU) designation from The Institutes—a rigorous program consisting of eight courses that provide a deep foundation in property and casualty insurance. We congratulate all the individuals who earned designations this past year. They exemplify our culture of lifelong learning and continuous growth.

In addition, we deepened our investment in leadership development, recognizing that strong leaders are essential to our long-term success. Throughout the year, our management team gathered multiple times to refine strategic initiatives, enhance leadership skills, and strengthen overall organizational growth. Many managers also received individualized coaching to support their professional advancement and development. They gained valuable insights by attending leadership events hosted by industry organizations such as the Center for Creative Leadership, the National Association of Mutual Insurance Companies (NAMIC), and The Institutes. We also empowered them to take on greater responsibilities by leading committees and facilitating both in-person and virtual meetings. While this requires a significant

2024 DESIGNATIONS/CERTIFICATIONS

DAVID ADAMS	CPCU	LAVONDAH MUSE	AIS
ANGELA BAUER	ARC	WILLIAM OSBORNE	AU-M
DAVID BORGESON	AINS	JACK PARIS	AIAF
TY BOWERS	AAI-M	KAREN PARKER	AIC
LISA BRAGG	AU-M	MICHELLE REVELLE	AIT
SUSAN CHO	AINS	PAMELA REYNOLDS	AU-M
MICHAEL CONLIN	ASLI	JOSEPH ROCHE	AIC-M
ELEANOR CURRY	AIS	VERONIKA ROSENBAUM	CPCU
NICHOLAS CUSATO	AIDA, CPCU	ALLISON SCHUCHASKIE	AIS
LINDSEY DIGANGI	AIM	MICHAEL SEIWERT	ARM
JOSEPH DONNELLY	AIS	ERIN SELFE	CPCU
JAYA ECHEVARRIA	AIDA	RYANN SIMMONS	AIS
CHRISTOPHER ERB	ARC	JOHN SMITH	AIS
JEFFREY EVANS	ARM	SYDNEY STENSON	AIDA
STEPHAN FIRKO	CPCU	KELLY SULLIVAN	AIS, ARM
ANGELO GANGUZZA	CPCU	DONNA TAYLOR	AAI-M, AIS
BJ GARDNER	AIDA	SUE WINSTEL	AIS
MARISA GOTHIE	CERTIFIED ARBITRATOR	CHRISTINE WOODWARD	AIS
NATALIE GRIFFITH	ARM	DAVE ZEIGENFUSS	AINS
CHRISTOPHER HEALY	AINS		
STEPHEN HICKS	APA		
JOHN KENNEALY	CPCU		
LORETTA KEPHART	AIS		
MATTHEW KIENHOLZ	AIDA		
CHRISTINE LA SALA	CPCU		
TAMMY LANDERS	AU-M		
NICHOLAS LAWLOR	AIS		
ARLEN LEWIS	AIS		
SAMUEL MATTHEWS	AIS		
KAREN MCALLISTER	AU-M		
CHARLENE MOUNT	AINS		



commitment of time and financial resources, we see it as a vital investment in our people and the future of our organization.

Our ongoing commitment to developing the next generation of leaders enabled us to take the first steps in reorganizing our leadership team at the beginning of this year. This transition wasn’t the result of a single year’s effort but rather a long-term plan we’ve been working on for some time. We will continue to identify and support emerging talent through internal and external training opportunities while encouraging active participation in organizational committees. Our dedication to cultivating strong leaders remains unwavering, ensuring PLM’s continued future success.



INDUSTRY RECOGNITION

Our commitment to continuous improvement has earned recognition across both the insurance and wood industries. In 2024, we were honored by several organizations for both our corporate achievements and the outstanding contributions of individual employees.

Sheila Gjevre, who was recently promoted from Business Development Consultant to Regional Manager of Field Operations, was named to HBS Dealer’s Top Women in Hardware and Building Supply “Rising Stars” class. Traci Barber, Assistant Vice President of Customer Service, was recognized as an Emerging Leader at the 2024 American Property Casualty Insurance Association (APCIA) Emerging Leaders Conference. Additionally, Angelo Ganguzza, Vice President & General Manager of Brokerage Operations for Green Tree Risk Partners, was named one of *Insurance Business America’s* Top Specialist Wholesale Brokers of 2024.

PLM also received several notable industry awards in 2024. *PropertyCasualty360* honored us with a Luminaries Award in two categories—Risk Management and Innovation in Workplace Culture. Our Marketing team earned three Showcase Awards from the Insurance Marketing & Communications Association (IMCA): a Gold Award for Single Piece Promotional Email, a Silver Award for Corporate Communications/Public Relations Campaign, and a Bronze Award for our Annual Report. We were also proud to receive a Top Workplace recognition from *The Philadelphia Inquirer* for the sixth consecutive year.



We take great pride in the outstanding achievements of the PLM team. It is through hard work and an unwavering commitment to the industries we serve that we earn recognition from top organizations. As a mutual insurance company, our focus is always on our policyholders — ensuring we provide them with the best service, expertise, and protection possible. These awards highlight our commitment to continuous improvement and our dedication to better serving the businesses that depend on us.

PLM Officers

As part of a strategic reorganization to strengthen our company's future, drive profitability, and support long-term growth, we implemented several leadership changes and executive promotions at the beginning of 2025. These changes reflect our commitment to adapting to the evolving complexities of the insurance industry and positioning our organization for sustained success.

A PLM veteran for more than two decades, **STEPHAN D. FIRKO**, CPCU, has assumed the role of Executive Vice President (EVP) and Chief Operating Officer (COO) overseeing all front-line customer-focused operating departments including Underwriting, Field Operations, Claims, Loss Control, Marketing, Customer Service, and Operations as PLM continues to evolve to meet the market demands of the future.

Steve most recently served as Senior Vice President (SVP) of Business Development, Loss Control and Customer Service at PLM. His notable career spans nearly 40 years in the industry, including professional and management-level positions at several multinational insurance companies and board and committee responsibilities at the Pennsylvania Association of Mutual Insurance Companies (PAMIC) and the National Association of Mutual Insurance Companies (NAMIC). He holds his Chartered Property Casualty Underwriter (CPCU) designation.

RICHARD A. HALL, formerly SVP of Underwriting, was appointed as EVP and assumes responsibility for Regulatory and Government Affairs, as well as for special projects critical to PLM's future growth and profitability.

With over 40 years in the insurance industry, 23 of them at PLM, Rich is a seasoned underwriting executive with extensive leadership experience. He began his career at The Insurance Company of North America (INA) and has since held senior roles at national carriers like CIGNA, Reliance, and USF&G, leading manufacturing segments and managing home office operations in product development and regulation.

STEPHEN J. HICKS, CPCU, formerly Assistant Vice President (AVP) of Underwriting, was appointed as Vice President (VP) of Underwriting. He has over 13 years of commercial lines property and casualty experience in rating and underwriting. His path of continual growth and improvement began at Harleysville Insurance and has continued at PLM where he joined the underwriting and operations team in 2012.

Since joining PLM, Steve has expanded his responsibilities, progressing from Underwriting Assistant to managing his own desk and eventually leading a team of talented underwriters. He holds the CPCU, Associate in Re-insurance (ARe), and Associate in Underwriting (AU) designations through the Institutes and currently serves as treasurer of the Philadelphia CPCU chapter.

LINDSEY DIGANGI, CPCU, formerly AVP of Marketing, has been appointed as VP of Field Operations. She has 11 years of insurance experience working at PLM, starting as an intern, and holding various roles across the organization.

Leading the Marketing Department, she worked to modernize PLM's

marketing efforts to meet the needs of customers today and in the future. She is actively involved in the wood and insurance industries and has been recognized by various organizations for her commitment to both. Lindsey holds the CPCU, ARe, Associate in Risk Management-Enterprise (ARM-E), Associate in Data Analytics (AIDA), Associate in Insurance Services (AIS), and Lean Six Sigma Black Belt (LSSBB) designations.

Formerly AVP of Underwriting, **SEAN T. BRISCOE** has been appointed as VP of Loss Control, leading a national team focused on loss prevention strategies. He also plays a key role in industry engagement, trade shows, reinsurance negotiations, and strategic initiatives, including PLM's telematics program.

Sean has over 25 years of diverse experience in the insurance industry, spanning underwriting, claims, loss control, and team leadership. He began his career in 1999 as a Service Unit Manager at a midsize mutual insurer and following its acquisition by Nationwide, held various underwriting and claims roles across multiple divisions. Since joining PLM, he has risen through leadership positions, overseeing underwriting teams and driving growth and profitability.

Sean is currently pursuing his CPCU designation and recently joined the Board of the Hardwood Federation.

ERIN SELFE, CPCU, formerly VP of Information Technology, has been appointed as SVP of Information Technology. She has over 25 years of IT experience, including nearly 20 in the insurance industry.

Since joining PLM in 2017, Erin has modernized its technology infrastructure, implementing a data lake, business intelligence platform, customer service and NPS system, an industry beta underwriting workbench, and IT best practices. She also built PLM's cyber risk management program and serves on the Reinsurance and Data Governance Committees.

Erin serves on the Board of Directors for Pennsylvania Association of Mutual Insurance Companies (PAMIC), Board of Trustees for PAMIC PAC and represents PLM in the World Millwork Alliance. She is a Chartered Insurance Operations Professional (CIOP), Customer Experience & Analytics Professional (CXAP), Certified Information Systems Auditor (non-practicing), and LOMA FFSI.

HAROLD L. JAMISON, JD, CPCU, has been appointed General Counsel. Previously, he served as SVP of Government and Regulatory Affairs and Human Resources. With over 35 years of experience in the insurance industry, 23 of them at PLM, Harold has played a key role in regulatory matters and later expanded his focus to include human resources.

In addition to his new role, Harold continues to serve as Corporate Secretary, overseeing all board-related activities. He holds a Bachelor of Arts in Property and Casualty Insurance from the College of Insurance in New York and a Law Degree from Rutgers University.



JOHN K. SMITH, CPCU
PRESIDENT &
CHIEF EXECUTIVE OFFICER



STEPHAN D. FIRKO, CPCU
EXECUTIVE VICE PRESIDENT &
CHIEF OPERATING OFFICER



RICHARD A. HALL
EXECUTIVE VICE PRESIDENT



HAROLD L. JAMISON, JD, CPCU
SENIOR VICE PRESIDENT
CORPORATE SECRETARY
& GENERAL COUNSEL



JOHN F. MARAZZO
SENIOR VICE PRESIDENT
ACCOUNTING & CORPORATE
TREASURER



ERIN SELFE, CPCU
SENIOR VICE PRESIDENT
INFORMATION TECHNOLOGY



SEAN T. BRISCOE, MBA
VICE PRESIDENT
LOSS CONTROL



LINDSEY DIGANGI, MBA, CPCU
VICE PRESIDENT
FIELD OPERATIONS



ANGELO T. GANGUZZA, CPCU
VICE PRESIDENT & GENERAL MANAGER
BROKERAGE OPERATIONS



STEPHEN HICKS, EMBA, CPCU
VICE PRESIDENT
UNDERWRITING



JOHN J. KENNEALY, CPCU
VICE PRESIDENT
CLAIMS



DAVID ADAMS, CPCU
ASSISTANT VICE PRESIDENT
UNDERWRITING



TRACI BARBER
ASSISTANT VICE PRESIDENT
CUSTOMER SERVICE



MATTHEW KIENZOLZ, CPCU
ASSISTANT VICE PRESIDENT
REGULATORY COMPLIANCE



TRICIA KILRAIN
ASSISTANT VICE PRESIDENT
FIELD OPERATIONS

Board of Directors



From left to right: Andrew Winn, John Smith, Jack Yates, John Wolf, James Jolinger, Timothy Callahan, Stephen Boyd, Craig Myers, John Hill, and Cally Fromme.

TIMOTHY W. CALLAHAN, II, ESQ.
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 PHILADELPHIA, PA
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 WYOMISSING, PA



To be recognized by stakeholders as America's premier property and casualty insurance company serving the lumber and building materials 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.

PENNSYLVANIA
LUMBERMENS
MUTUAL
INSURANCE
COMPANY

GREEN TREE
RISK PARTNERS

ANNUAL
REPORT
2024



PLM



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GREEN TREE RISK PARTNERS

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