

2025

Annual Report 130th EDITION













**PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY**



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PLM At A Glance

	COMBINED RATIO	106.9%
	DIRECT WRITTEN PREMIUM	\$498.1 M
	INFORCE POLICIES	12,229
	ACCOUNTS NEW ACCOUNTS	5,931 708
	NEW BUSINESS PREMIUM	\$39.6 M
	POLICY COUNT RETENTION	90.2%
	PREMIUM RETENTION	97.7%
	BROKER PARTNERS	2,105
	EXAMS PASSED	80
	DESIGNATIONS/ CERTIFICATIONS	23
	TRADESHOWS	221
	NPS SCORE	72.4%

A Message From Our Leadership

INTRODUCTION BY JOHN K. SMITH

Welcome to Pennsylvania Lumbermens Mutual Insurance Company's 130th Annual Report. We are proud of our longstanding history, which began when lumber dealers sought insurance coverage from a company that truly understood their business. Today, that legacy has grown into America's only lumber mutual serving exclusively the lumber and building materials industries. More than that, we're proud to be a trusted and experienced partner for the protection of your business. We continue to put considerable effort into understanding your operations and apply that expertise across the products we offer, the claims service we deliver, and the loss control services we provide.

As I reflect on our history, I would be remiss to not consider all that came before us, especially as we celebrate the 250th anniversary of our country in 2026. Even before the birth of our nation, the lumber industry was serving communities across this land, and the insurance industry has long stood beside it, supporting its progress – your progress.

That shared history is something we can all be proud of. Through wars, economic downturns, natural disasters, and periods of profound industrial change, the businesses that continue to thrive have demonstrated strength, adaptability, and an unwavering commitment to progress.

As many of you know, I am a history buff, particularly of the Revolutionary War. I am often reminded in my daily life of how strongly history shapes both our present and our future.

As we mark our 130th year, a quote from the great Thomas Paine comes to mind, "Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it." This is not a reflection on politics in my mind, but a reminder that resilience and success come from hard work.

2025 was hard work, for you and for us. But we learn from it and carry that with us as armor and wisdom for the future.

I, for one, am excited about our future as an organization. As we approach the \$500 million premium milestone, it's a good time to appreciate our successes, but more importantly, plan for how we grow profitably through the next \$500 million, and who will take us there.

In early 2025, we made several leadership changes as part of our long-term plan to develop the next generation of leadership at PLM. These changes were a culmination of years of extensive planning, training, and investment in our people. This new leadership group has already demonstrated their resiliency and resolve like those before them, with the kind of grit necessary to not only take this company into the future, but to fortify it while doing so.

So, instead of hearing from me about this past year, I want you to hear directly from them.

Please enjoy the 130th edition of our Annual Report. We welcome your feedback, as it helps us shape our future. Thank you for the trust you place in PLM, and we look forward to supporting your continued success in 2026 and beyond.

JOHN K. SMITH, CPCU
PRESIDENT & CHIEF EXECUTIVE OFFICER



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OVERVIEW BY STEPHAN D. FIRKO

As Executive Vice President and Chief Operating Officer, I am pleased to share an overview of PLM's performance in 2025. In a demanding environment, our focus remained unchanged: disciplined underwriting, strong financial stewardship, and unwavering support for the lumber and building materials industries we serve.

As we continue a thoughtful transition to the next generation of leadership, this moment reflects years of planning and development within our organization. While leadership evolves, our mission does not. PLM remains committed to protecting our policyholders, strengthening our balance sheet, and serving the industry with expertise and long-term stability.

The following overview highlights our 2025 results and the actions we've taken to position ourselves for continued strength in the years ahead.

2025 RESULTS

The past year presented real challenges, but we met them head-on and ended 2025 stronger and better equipped for what's ahead. We finished the year with \$498.1 million in direct premium, an increase of \$9.7 million (2%) over 2024. While this result was below our projected target, we were encouraged by the strength of our customer relationships and the continued confidence policyholders have in PLM.

In 2025, 90% of our customers chose to renew their insurance with us, which is well above the industry average. We believe this reflects the value our insureds place on partnering with a carrier that understands their business and is committed to long-term stability. Alongside this retention, we welcomed more than 700 new customers, representing an additional \$39.6 million in premium, who placed their trust in PLM to help protect their operations.

Rate increases were lower on average than last year but continued their upward trend, consistent with broader market conditions. This was driven primarily by deteriorating loss experience, particularly in the general liability, commercial auto, and umbrella lines of coverage, which I will cover in greater detail later.

We anticipated slower growth in 2025 due to economic pressures affecting the housing market,

but the impact was greater than expected. Exposures, including sales, values, and vehicles, fell below projections, contributing to the premium shortfall.

Another factor was our decision to walk away from a small number of larger accounts that were unwilling to partner with us on loss control and risk mitigation recommendations. While the loss of premium is never easy, it was the right decision from both a profitability and long-term stewardship standpoint. There is an old adage in insurance, "addition by subtraction." Sometimes maintaining profitability requires letting certain accounts go in order to protect the broader mutual. I'm sure many of you in the lumber business must make the same decisions regarding certain customers to maintain your own profitability.

We take that same approach with new business. While we are grateful for the more than 700 new accounts written in 2025, we remain highly selective in our underwriting. We declined 62% of submissions received during the year, because growth must be profitable and built on partnership, with insureds committed to operating safely and reducing loss potential through sound risk management.

In some cases, the submissions we decline



are strong accounts, but they fall outside our underwriting appetite or require coverages we do not offer. To better serve these customers and their brokers, we established an in-house agency five years ago named Green Tree Risk Partners.

Green Tree continues to play a significant role in supporting PLM's broader market reach by providing wholesale brokerage and program placement solutions tailored to the wood and building materials industries. In 2025, Green Tree delivered continued growth and strong performance, expanding its ability to serve broker partners and customers with specialized coverage solutions. We remain excited about the opportunities Green Tree provides to extend PLM's presence across an even wider segment of the industry.

OPERATIONAL ADJUSTMENTS

In early September, we implemented a return-to-office transition that created temporary operational strain in certain areas of the organization. While overall turnover remained below 10%, staffing changes within a few key departments contributed to workflow disruption and service delays.

During this period, some policy processing and claims functions did not meet the service standards our insureds and broker partners expect from us. We recognize the impact this had on stakeholders and take these challenges seriously.

Since then, management has taken meaningful steps to strengthen staffing, enhance processes, and improve operational consistency. These efforts are already helping to restore service levels and better position the organization for long-term stability and performance.



While leadership evolves, our mission does not. PLM remains committed to protecting our policyholders, strengthening our balance sheet, and serving the industry with expertise and long-term stability.

At PLM, service excellence is fundamental to the trust we earn each day. We are grateful for the patience shown during this transition and remain fully committed to delivering the responsiveness, expertise, and reliability that define our organization as we move forward.

CLAIMS AND RESERVE STRENGTHENING

Turning to claims, we continued a comprehensive review of open claim files in our commercial auto and general liability lines, increasing reserves where appropriate. However, the growing impact of nuclear verdicts, litigation funding, and social inflation has made it increasingly difficult to project ultimate claim outcomes using historical development patterns alone.

To address this issue head on and set the stage moving forward, we added nearly \$60 million in Incurred But Not Reported (IBNR) reserves in 2025. These actions contributed to an underwriting loss of \$20.7 million and a loss ratio of 82.9%.

FINANCIAL STRENGTH AND INVESTMENT RESULTS

Despite the underwriting loss driven by reserve strengthening, PLM generated a net operating income of just under \$2.4 million, and surplus grew by \$7.1 million (3.3%) to an all-time high of \$225.5 million.

Total admitted assets grew by \$84.7 million, reaching a record of \$855.8 million. Net income increased by \$3.8 million to \$22.6 million, marking the seventh consecutive year of positive net operating and net income, and the tenth time in the past eleven years.

We also continued to manage our operating expenses closely, ending the year with an expense ratio of 23.2%, well below our target of 25%.

In addition, we significantly de-risked our investment portfolio in 2025 by reducing our equity holdings and increasing fixed income

securities. By year-end, the portfolio allocation consisted of 92.9% fixed income and 7.1% equities, compared to 83.1% fixed income and 16.9% equities the prior year. This marks a transition to a more conservative and capital-efficient investment approach.

Our balance sheet remains strong, and the actions taken in 2025 will support PLM's long-term stability in the years ahead.

A LOOK AT LOSSES

We were encouraged by our property results in 2025, which ended the year on a positive note despite several significant fire losses. Many of these losses were preventable and reinforce the importance of consistent risk management practices.

One recurring exposure involved the improper storage and disposal of oily rags, which can spontaneously combust if not handled correctly. This hazard is well known in woodworking operations, yet we continue to see losses occur even among the best-run operations.

Another area that is often overlooked and affects all types of lumber-related risks both on the manufacturing side and wholesale/retail side, is employee break rooms equipped with secondhand, outdated appliances. While this helps limit expenses in the short term, it can be a dangerous and costly practice if not properly maintained. We have seen entire facilities set ablaze because a refrigerator compressor malfunctioned on a Friday evening after everyone had gone home.

Finally, we continue to see unsafe reliance on extension cords and power strips as permanent electrical solutions. These devices are not designed for long-term use in environments where dust and debris accumulate, and over time they can become overloaded or damaged, increasing the risk of fire. Owners and safety managers should walk around their facilities with a certified electrician to identify and add proper electrical outlets for all types of equipment currently being



powered using an extension cord and/or power strip. Simple investments in proper electrical infrastructure can help prevent costly disruptions that can endanger your employees, customers, or shutter your business for an extended period to rebuild.

While property performance was stable, the same cannot be said for the casualty side of our business. As noted earlier, the most significant challenge facing both PLM and the broader insurance industry lies in the casualty lines of business, which includes general liability, auto, and umbrella coverages.

Although we saw some improvement in commercial auto claim frequency in 2025, severity remains a concern. The primary drivers of volatility are increasingly external, stemming from the U.S. legal system and society's evolving attitudes toward litigation. Issues such as nuclear verdicts, social inflation, and litigation funding are generating an upward pressure on loss reserve development in all casualty lines. Reasonable loss reserve expectations are increasingly proving to be inadequate, driven by the magnitude of settlements being handed down by the courts, in addition to a host of other issues that confront the U.S. economy and insurance industry.

PLM is responding with a disciplined, multi-faceted approach. First, we are tightening underwriting standards to ensure risks are appropriately evaluated and managed. Targeted initiatives have been developed to address specific drivers of loss across commercial auto and general liability exposures.

Second, we are expanding our loss prevention outreach. You will continue to see more information from us regarding the drivers of these losses and how we can work together to reduce their impact with a loss prevention mindset and

partnership. We have been publishing articles in various trade journals, sending out industry-specific loss prevention materials, posting commentary on social media, and making risk management recommendations directly with our insureds during our site visits.

You can expect increased engagement from our Loss Control Representatives (LCRs) and Business Development Representatives (BDRs), including more frequent site visits to both headquarters and secondary locations to walk through your operations and provide valuable loss prevention recommendations. These visits focus on identifying practical improvements and reinforcing a culture of safety, accountability, and documentation.

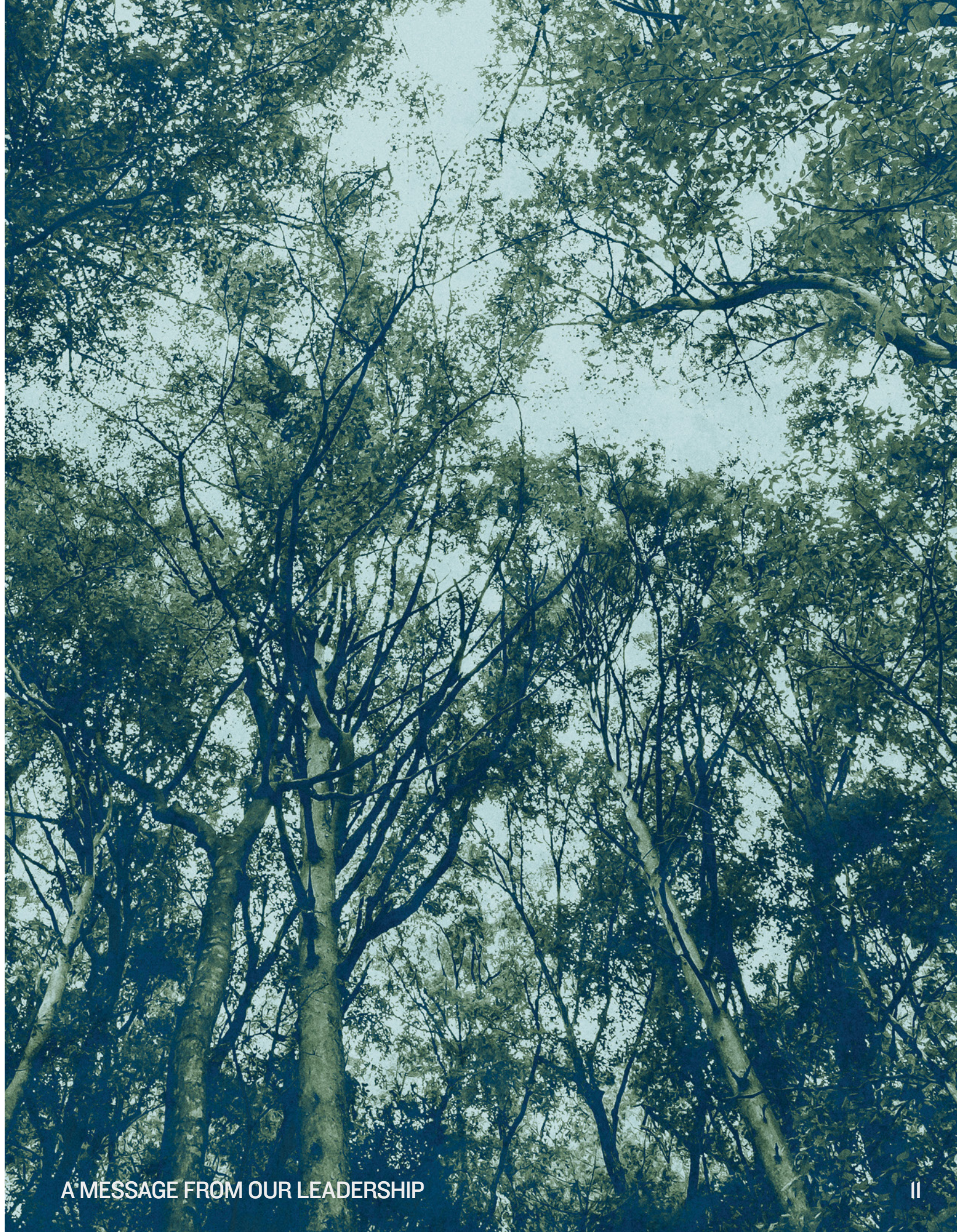
REINSURANCE PARTNERSHIPS

From a reinsurance perspective, both our 2025 renewal and our most recent 2026 renewal were very successful. We maintained our long-standing panel of reinsurers with superior financial strength ratings and attracted new markets of similar quality. I believe this is a testament to the strong relationships we have developed over the years with our reinsurers.

During renewal discussions, we shared our casualty-focused initiatives and reserve strengthening actions. Our reinsurers expressed strong support for our proactive approach and confidence in our long-term strategy that will be mutually beneficial to both our insureds and to PLM.

OUR PEOPLE. OUR CULTURE. OUR HISTORY.

I remain incredibly optimistic about the future of PLM and Green Tree. In 2025, we celebrated



For more than a century, PLM has supported and protected the businesses that form the backbone of our nation's economy. While we do not manufacture or supply building materials ourselves, we play a vital role in safeguarding the businesses that do.



our 130th year anniversary, a milestone few companies in America achieve. For more than a century, PLM has supported and protected the businesses that form the backbone of our nation's economy. While we do not manufacture or supply building materials ourselves, we play a vital role in safeguarding the businesses that do.

Throughout our history, PLM has navigated world wars, the Great Depression, economic recessions, and a global pandemic. Today, we face a new set of challenges: economic uncertainty, workforce and societal shifts, rapid technological advancement, an increasingly complex legal environment, and evolving climate risks. We have adapted before, and we will continue to do so. Resilience is embedded in our culture, our DNA, and most importantly, reflected in the character of our people.

Our employees are the foundation of our success. In 2025, we invested over \$2,000 for each employee in professional development to ensure our team remains among the most knowledgeable in both the insurance industry and the lumber and building materials sectors we serve. Every member of our organization, including our CEO, participates in ongoing education and training. Last year, our team completed 80 professional courses and earned a total of 23 designations/certifications. This commitment to continuous learning strengthens our expertise, sharpens our underwriting discipline, and enhances the service we provide to our policyholders and broker partners.

In addition to formal professional development, we conduct regular in-house insurance and industry-specific training, along with department-level

education and structured leadership development. We strongly support professional coaching and view leadership growth as essential to PLM's long-term stability. Our goal is simple: to remain a learning organization that evolves with the industries we serve.

In 2025, PLM and several individual employees were honored by respected insurance and lumber industry organizations for their leadership and contributions. We are humbled by these recognitions, which reflect the dedication and professionalism of our entire team. Additional details can be found later in this report.

This year, as in years past, our team members traveled extensively to meet with customers, prospects, and brokers at their places of business and at industry events across the country. In 2025, we participated in over 94 insurance-related shows and 127 wood industry shows. We remain active supporters of over 70 lumber, woodworking, and building material trade associations, reinforcing our role as a long-term industry partner.

Our employees also rolled up their sleeves and supported their communities through volunteer work and financial donations to their local charities. Giving back to our communities is central to the PLM culture. In 2025, 95% of our employees participated in our annual United Way campaign through payroll contributions, raising a total of \$218,625 with company match. This spirit of generosity reflects PLM's core values of service, stewardship, and care for the communities in which we live and work.

IN CLOSING

I want to take this opportunity to thank the 178 dedicated insurance professionals at PLM and Green Tree Risk Partners. Each of you plays an essential role in serving our customers and the brokers who represent them. Your expertise, commitment, and daily efforts are what make PLM the company that policyholders choose to partner with year-after-year. We will continue to invest in you so that your knowledge of both the insurance industry and the lumber and building materials industries remains best in class.

To our broker partners, thank you for your continued partnership and trust to ensure the best possible insurance program for our mutual customers. We greatly value the relationships we have built with you over time and appreciate your continued support.

I also want to thank our Board of Directors and our CEO, John Smith, for the confidence they placed in me and the leadership team during the reorganization announced in early 2025. The thoughtful succession planning that has taken place over the last several years has prepared

PLM well for the future. Your collective counsel, wisdom, and guidance during this transition have been invaluable, providing all of us on the leadership team with the "North Star" for our path forward.

Finally, to our policyholders – thank you. Founded by lumber dealers for lumber dealers in Philadelphia 130 years ago, PLM remains committed to the mission set forth by our founders: to serve and protect the wood and building materials industry with specialized insurance products and comprehensive risk management support.

All of us at PLM deeply value the faith and trust you place in us to protect your business. We are grateful for the opportunity to serve you, and we remain committed to earning that trust each and every year.

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



Profitable Growth

At PLM, we do not talk about profit or growth independently, we talk about profitable growth. It is a delicate balance to strike, but one that remains a key part of our mission. That balance becomes even more challenging as the world around us, and the risk landscape in which we operate, continue to evolve at a rapid pace. Just ten years ago, how many organizations were actively considering the complexity and interconnectivity of things like supply chain vulnerability, cybersecurity, and climate risk? Yet, today, those topics are commonplace in almost every conversation about risk management. It is a reminder that, indeed, “the only constant in life is change.”

In 2025, we embraced the opportunities presented by change and transitioned in a number of ways. Some of the most notable include:

- › To begin the year, PLM’s deliberate succession planning efforts resulted in several leadership transitions across the operating team, positioning the organization for continued success and evolution.
- › To drive stronger collaboration, faster problem-solving, and more effective mentorship, we shifted away from the fully virtual model necessitated by the COVID-19 pandemic. Local employees returned to the office three days a week, and remote leadership now gather in person for one week each month.
- › To better serve insureds and broker partners, we began placing field underwriters directly within the regions they support, aligning our underwriting services with those of our business development representatives.
- › To enhance jurisdictional expertise, improve consistency, and create greater efficiencies through scale, PLM tested a new litigation claims model.

While 2025 could accurately be characterized as a year of transition, some things remain constant. Foremost among them is our steadfast commitment to supporting our insureds, their brokers, and the broader lumber and building materials industry as we, together, navigate an increasingly complex environment.

LEGAL SYSTEM ABUSE

Insurance is unique in that policies are priced and issued without knowing the true cost of goods sold, which includes claim payments. A lot of data, trending, and actuarial work goes into estimating future claim costs, but much of that predicting has commonly been based on historical data.

When external influences disrupt the reliability of historical data, predicting ultimate claim costs becomes significantly more difficult. This challenge is compounded when those forces do not materially impact costs until a number of years after policies have expired, as has happened with liability claims across the country.

One of the most significant pressures facing both PLM and the broader domestic insurance industry stems from abuse within the U.S. legal system and shifting societal attitudes toward litigation. Nuclear verdicts, third-party litigation funding, and an increasingly coordinated and aggressive plaintiffs’ bar have promoted excessive lawsuits that are driving up costs for everyone except lawyers.

As claim severity rises, insurance companies must strengthen reserves, a process known as development, to ensure adequate funding for future payments. One critical component of reserves is Incurred But Not Reported (IBNR), which represents claims arising from events that have occurred but have not yet been reported. IBNR levels are closely evaluated by regulators and credit rating bureaus when assessing an insurance company’s financial health and stability.

To maintain actuarially sound and conservative reserve levels in 2025, PLM added nearly \$60 million in IBNR, more than twice the amount added in 2024. This proactive reserve strengthening contributed to an underwriting loss of \$20.7 million for the year, but it reinforces the long-term stability of our balance sheet.

STRONG FINANCIAL POSITION

While the substantial underwriting loss generated in 2025 was disappointing, prudent investment management helped offset a portion of that impact. PLM generated net operating income of \$2.4 million, and policyholder surplus,



TYPES OF BUSINESSES WE WRITE

RETAILERS/WHOLESALERS /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

a key measure of a mutual insurer's financial strength, increased to an all-time high of \$225.5 million. Total admitted assets also reached a record \$855.8 million at year-end.

PLM remains in a strong financial position. The leadership team has launched a comprehensive, multi-pronged initiative focused on underwriting profitability, disciplined growth, expense management, investment asset allocation, economic capital modeling, claims management, and continued reserve strengthening. These coordinated efforts are designed to further fortify our financial strength while improving underwriting results.

PREMIUM VOLUME AND MARKET POSITIONING

PLM finished 2025 with \$498.1 million in direct written premium, representing a 2% year-over-year increase. More than 90% of our insureds renewed their policies, reaffirming the trust they place in our expertise and service. We also welcomed 708 new policyholders, generating \$39.6 million in new written premium, generated from 3,269 submissions.

We remain deeply committed to supporting the industries we serve. In 2025, PLM attended 127 wood industry trade shows, maintained active involvement in more than 70 wood trade organizations at the board, committee, and sponsor levels, and contributed 49 thought leadership articles to industry publications. We also maintain a database of over 112,000 wood industry businesses, which we engage and educate through a variety of marketing and outreach efforts designed to meet stakeholders where they are.

Despite PLM's preeminence in the segment, our estimated market penetration remains approximately 5.5%, leaving 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 with 12,229 inforce policies, a 1% increase over the prior year.

We strive to support profitable growth with new business and remain very selective about the opportunities we choose to entertain. In 2025, we declined 62% of the opportunities submitted for review, reinforcing our commitment to selective underwriting and long-term profitability.

At the same time, we continue to expand the capabilities of Green Tree Risk Partners, our

wholesale brokerage, to provide placement solutions for business outside PLM's core underwriting appetite. In 2025, Green Tree placed 274 new workers' compensation policies, helping deliver more comprehensive insurance programs to our insureds through trusted carrier partners.

Green Tree's complementary role strengthens the overall organization, protecting PLM's balance sheet, broadening our market presence, and generating non-risk revenue, while allowing us to meet the full range of coverage needs within the wood, lumber, and building materials industries.



MANAGING CLAIMS

The total number of new claims in 2025 decreased by 244 (5%), for a total of 4,367 new claims for the year. This decline was driven largely by the absence of significant catastrophe activity within the property line. Encouragingly, new auto claims were also down 3%, and construction defect claims (completed operations claims arising from installation) were down 1.5%.

At the same time, loss adjustment expenses increased 12.2%, with litigation up 12.4%, reflecting

the continued effects of legal system abuse. Meanwhile, salvage and subrogation produced strong results, activities that recovered \$5.5 million on a direct basis and \$3.5 million on a net basis.

CUSTOMER-CENTRIC APPROACH TO SERVICE

Unfortunately, in early September of 2025, PLM experienced some operational challenges following our return-to-office transition. While overall turnover was less than 10% of our staff, departures were concentrated within a few key departments,

these challenges directly with insureds and brokers in his President's Commentary in the 2025 Lumber Memo and Producer Update (Issue 5). As he noted, corrective actions are in place, and all stakeholders have the commitment of our entire management team to resolve these issues as quickly and professionally as possible.

We firmly believe that profitable growth is inseparable from service excellence. We appreciate the patience shown by our policyholders and broker partners during this transition and remain focused on reinforcing the customer-centric approach that defines PLM.

At the same time, we continue to make significant investments in training and development for our people. In 2025, 20 employees earned industry designations and certifications, and our team successfully passed 80 exams. We actively support managers through professional coaching and leadership development programs, while emphasizing experiential learning as part of our succession planning strategy. These efforts support leadership continuity and help ensure that our team delivers the personal attention and expertise that have long been hallmarks of PLM's service.

WE'VE BEEN HERE BEFORE

Back in 2018, PLM generated a \$17.4 million underwriting loss, driven largely by volatility within the property line of business. In response, the leadership team took an active and hands-on role in implementing corrective actions throughout 2019, reaffirming our commitment to disciplined underwriting and strong risk management.

Those efforts produced dramatic improvement and stabilization of our property results, leading to underwriting profitability in five of the subsequent six years.

Benefiting from the long-term stability of our leadership

resulting in workflow disruptions and temporary service backlogs.

Service reached unacceptable levels as policy processing activities, including endorsements and renewal quoting, did not meet our standards. Our Claims Department also experienced disruption, particularly within our multi-line and litigation units. During this period, too many of our insureds and broker partners encountered delays in communication and service that did not reflect the level of responsiveness we expect of ourselves.

Our President and CEO, John Smith, addressed

team, many of those same leaders are now applying that proven approach to the casualty lines. By bringing the same discipline, focus, and accountability to today's challenges, we are positioning the next chapter of PLM's long history of protecting the lumber and building materials industries for profitable growth.

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.

Green Tree Risk Partners



As a member company of PLM, Green Tree Risk Partners operates as a wholesale brokerage and program business placement specialist providing workers' compensation, property, casualty, commercial auto, umbrella and other coverages to the wood and building materials industries.

In 2025, our fifth year in operation, Green Tree delivered strong results, reflecting our focused execution and continued investment in expertise and industry relationships.

2025 PERFORMANCE HIGHLIGHTS

Green Tree achieved significant year-over-year growth across all key performance indicators:

- › New submission count rose 15%
- › Hit ratio exceeded 40%
- › New business premium grew more than 12%
- › Policy count increased 15%

These results underscore the strength of our underwriting approach, market positioning, and ability to deliver tailored solutions to wood industry clients and broker partners.

SPECIALIZED PROGRAMS AND STRATEGIC PARTNERSHIPS

We continue to differentiate ourselves through the development of specialized programs designed to meet the unique needs of the wood and building materials industries.

In partnership with AmTrust, we launched the Green Tree Lumber Group Dividend Plan, a workers' compensation group dividend program available exclusively to qualifying Green Tree accounts. Supported by AmTrust's national workers' compensation expertise and Green Tree's industry-focused underwriting approach, the program reflects the value of specialization, strong risk selection, and long-term partnership.

Introduced in 2024, the program continues to gain momentum and represents an important

enhancement to our overall product and service offering, while providing the potential for dividend returns to participating policyholders.

INVESTING IN PEOPLE AND PROFESSIONAL EXCELLENCE

We remain committed to investing in our people and maintaining strong industry engagement. During 2025, team members earned key professional designations, including:

- › Associate in Insurance (AINS)
- › Associate in Insurance Services (AIS)
- › Workers' Compensation Professional (WCP)

We also maintained active memberships in the Target Markets Program Administrators Association (TMPAA), the Wholesale & Specialty Insurance Association (WSIA), and AMCOMP, while participating in multiple state insurance agents' conferences and tradeshow throughout 2025. These efforts further strengthened our market presence and reinforced the well-rounded solutions offered through both PLM and Green Tree.

LEADERSHIP TRANSITION AT GREEN TREE RISK PARTNERS

As Green Tree continues to build on its success, we are also preparing for an important leadership transition. After a distinguished 40-year career serving the wood industry, Angelo Ganguzza will retire from his full-time agency leadership role in spring of 2026.



Angelo joined PLM when Green Tree existed only as a dormant licensed agency. His industry expertise, market insight, and leadership were instrumental in transforming Green Tree Risk Partners into who they are today. As part of the transition, Angelo will continue supporting our advancement in a key brokerage operations role, focusing on sales growth and strategic relationships.



To ensure continuity and momentum, we have proactively identified our next agency leader, Laura Page. Laura will assume the role, bringing more than 20 years of insurance and leadership experience, along with a strong track

record of operational excellence and profitable growth. Most recently, she served as Vice President at Extraco Insurance in Texas, where she enhanced training programs, strengthened onboarding processes, and contributed to sustained performance.

Laura will focus on advancing the agency model and delivering a robust, competitive marketplace that supports insureds, brokers, and the broader lumber and building materials industry. She will work closely with Angelo during a structured transition period, with a full leadership transition expected in early 2026.

LOOKING AHEAD

Green Tree remains focused on disciplined growth, product expansion, and delivering consistent value to our insureds and broker partners throughout the wood industry.

Supported by experienced leadership and alignment with PLM's long-term strategy, Green Tree is well positioned to continue serving the evolving needs of the lumber and building materials marketplace.

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Enterprise Risk Management



In an environment defined by constant and increasingly complex risks, our business practices must continue to evolve to safeguard both our capital strength and long-term stability. Our enterprise risk management (ERM) program is a deeply embedded, highly developed framework that operates across every level of the organization. It is not simply a function, but rather a foundational discipline that enables us to operate confidently today while preparing for tomorrow.

Our ERM methods holistically inform and influence our strategic direction, ensuring that risk awareness and risk-adjusted decision making guide our growth and support our continued evolution. Throughout 2025, this

disciplined approach contributed meaningfully to our progress in navigating the current risk landscape.

The protection of our capital is grounded in rigorous financial monitoring, advanced modeling capabilities, and disciplined management practices. Our primary objective is to foster sustainable capital growth while minimizing volatility in results. To support this objective, we undertook several strategic initiatives in 2025. As detailed in our Investments section, we repositioned our portfolio to emphasize stable fixed income instruments over more unpredictable equity positions. Our economic capital modeling platform played a critical role, providing analytical insights that informed

and ultimately validated this reallocation. To strengthen our investment strategy further, we engaged an outsourced Chief Investment Officer, adding specialized expertise and enhancing overall performance.

Our economic capital modeling capabilities also supported the refinement of our reinsurance program. By simulating risk environments and defining profitability thresholds, we were able to design and place reinsurance structures that appropriately balance risk appetite with opportunity. Combined with continued balance sheet strengthening, disciplined scaling of our model, and execution of our maturing Green Tree Risk Partners strategy, these efforts position us for durable, long-term resilience.

Ensuring stability is equally predicated on identifying, mitigating, and eliminating potential disruptions before they emerge. In 2025, and as highlighted throughout this report, we achieved meaningful progress in strengthening one of the most important pillars of a stable future: our people. We entrusted a new generation of leaders to carry our mission forward as we remain dedicated to serving the lumber, woodworking, and building materials industries. Our investment in our workforce remains substantial, including comprehensive professional development initiatives and deliberate cultivation of a robust talent pipeline. As a result, we are confident that our team is engaged, aligned, and equipped to lead our organization into its next chapter.

Our commitment to stability also extends to vigilant oversight of operational risks. We continue to prioritize early recognition of potential interruptions, including technological, procedural, or those that are external in nature. In the following section, you will learn more about our efforts to enhance cybersecurity readiness, protect critical and sensitive data, and strengthen oversight of our vendors and system dependencies. Externally, we routinely monitor the environment for emerging and evolving risks, maintaining a comprehensive watchlist to ensure we remain well-positioned ahead of potential challenges. We also stay attuned to industry trends by continually educating ourselves, participating in relevant events, and

actively engaging with our customers. To further strengthen our resilience against future risks, we made substantial investments in 2025 in business continuity planning, audit compliance, and operational process improvements.

We are proud of the risk-aware culture we have built, one that reflects both our history and the forward-looking demands of today's rapidly advancing world. We invite you to join us in this continued commitment to resilience, discipline, and sustainable growth.



In response, PLM continued strengthening its cyber resilience while advancing modernization initiatives designed to reduce operational risk and improve efficiency.

Cyber Security

Cyber risk remained elevated in 2025, highlighted by a wave of ransomware attacks targeting the insurance industry. Increasingly sophisticated phishing schemes, third-party vulnerabilities, and the growing use of artificial intelligence by threat actors continue to raise the stakes. At the same time, regulatory expectations are expanding, with 24 states now adopting all or part of the NAIC Insurance Data Security Model Law and regulators such as the NY DFS increasing enforcement actions.

In response, PLM continued strengthening its cyber resilience while advancing modernization initiatives designed to reduce operational risk and improve efficiency.

MODERNIZATION & SYSTEMS INTEGRATION

PLM continues to advance its modernization strategy with a strong focus on systems integration, process efficiency, and enhanced data accessibility.

In 2025, we implemented an underwriting workbench to streamline renewals by automating previously manual tasks, including third-party and internal data collection, allowing underwriters to focus on higher-value risk evaluation. This initiative earned PLM the Most Connected Ecosystem Champion Award at the 2025 Excellence in Insurance Conference hosted by Insurity.

We also successfully retired TIP, our final COBOL-based system, after nearly five decades of service. TIP supported critical functions including policy transactions, reporting, and regulatory filings. Its capabilities were incorporated into an expanded version of our WoodWorks data warehouse, with both systems operating in parallel during transition to ensure data integrity. This modernization reduces reliance on legacy technology, supports growing reporting demands, and strengthens our foundation for advanced analytics and future AI capabilities.

CYBER RISK MANAGEMENT & MONITORING

Throughout the year, PLM enhanced its cyber controls, expanded monitoring capabilities, and strengthened governance oversight. We implemented new Governance, Risk, and Compliance (GRC) technology, initially focused on third-party cyber risk and now expanding across operational and regulatory risk domains. Our cyber

monitoring tools benchmark practices against evolving industry frameworks and generate tailored scorecards and gap analyses.

We improved our overall security risk assessment score from 7.4 to 8.3, exceeding our internal goal and achieving 98% NYDFS compliance. Continuous monitoring now extends across servers, networks, and laptops, with billions of events analyzed and no material breaches occurring in 2025.

PLM conducted its annual risk assessment, penetration testing, incident response tabletop exercise, and business continuity preparedness review. While minor phishing-related incidents occurred, primarily involving third parties, no breaches impacted PLM systems. Vendor due diligence remains a priority, and we terminated relationships where cyber standards were not met.

CYBER CULTURE & EDUCATION

Cybersecurity remains as much a cultural priority as a technical one. In 2025, we achieved a three-point improvement in our people risk score, representing an 18-point gain since 2024. Employees completed monthly training, phishing simulations, and targeted remediation efforts. We outperformed insurance industry benchmarks in security awareness proficiency and continue to reinforce executive-level advocacy for cyber vigilance.

LOOKING AHEAD

In 2026, PLM will continue enhancing data security and third-party risk management at a more granular level. We are closely monitoring developments in artificial intelligence, evaluating both regulatory considerations and operational opportunities. Today, we are already leveraging partner-provided AI capabilities such as image recognition in loss control, and our internal AI Committee has identified additional pilot initiatives for 2026.

Cyber resilience and modernization remain central to protecting our policyholders, safeguarding sensitive data, and positioning PLM for long-term operational strength.

Investments

Throughout 2025, cash flow from operations provided a solid foundation for PLM's investment portfolio. The portfolio reached an all-time high market value of \$640.3 million, representing an increase of \$98.6 million during the year. This growth was driven by strong operational cash contributions, consistent income generation, and appreciation across both fixed income and equity holdings. In total, the portfolio generated \$23.0 million in net investment income from a diversified mix of strategically allocated asset classes.

In July 2025, PLM initiated a Strategic Asset Allocation (SAA) initiative, which played a significant role in shaping year-end results. As part of this initiative, equity exposure was meaningfully reduced to de-risk the portfolio. These actions resulted in the realization of \$26.1 million in total gains, including \$23.5 million from common stock sales. Several positions were fully liquidated, including Common Stocks, Preferred Stock-REITS, and two equity mutual funds and ETFs.

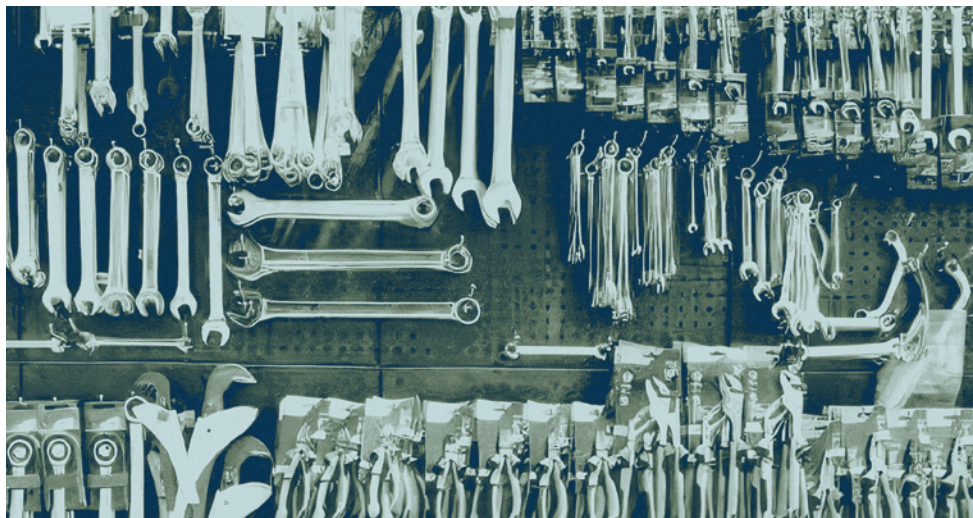
In addition to de-risking the investment portfolio, we focused on improving portfolio credit quality while enhancing yield to increase capital efficiency. The management team, in collaboration with the Investment Committee, approved a series of actions to dispose of lower credit quality fixed income securities

and reinvest the proceeds into higher quality mortgage-backed securities.

As of December 31, 2025, the portfolio allocation consisted of 92.9% fixed income and 7.1% equities, based on Statutory Accounting treatment. This represents a material shift from the prior year's allocation of 83.1% fixed income and 16.9% equities, highlighting the portfolio's transition toward a more conservative and capital-efficient investment structure.

The fixed income portfolio generated a year-to-date return of 7.2%, contributing \$32.5 million to overall portfolio results in 2025. Corporate bonds were the largest contributor within fixed income, producing a 7.5% year-to-date return and contributing \$24.6 million. Within the equity allocation, mutual fund equity holdings were the strongest performers, generating a 13.4% year-to-date return, making them the best-performing security type in the PLM portfolio.

We enter 2026 with \$63.4 million in cash equivalents available for investment. This liquidity will be strategically deployed as we continue to refine our Strategic Asset Allocation, incorporating operational risk considerations into a comprehensive investment model designed to support consistent returns within established risk management guidelines.



Financial Results

In 2025, PLM faced a challenging operating environment but delivered strong overall results particularly in our investment performance. Loss activity increased during the year, driven largely by high inflation and escalating litigation costs that impacted both auto and general liability lines.

To maintain a strong reserve position, PLM added \$72.7 million to reserves during the year, contributing to a \$51.0 million year-over-year increase in losses incurred. However, these setbacks were offset by positive investment returns, including \$23.0 million in interest income and \$26.1 million in realized gains, contributing to a \$7.1 million increase in policyholder surplus.

As highlighted in prior years, PLM has consistently demonstrated a robust balance sheet. This year, we were able to leverage strong investment performance to mitigate underwriting losses, reinforcing the resilience of our financial position. Additionally, we achieved a net income of \$22.6 million, marking the tenth time in the last eleven years that we have reported positive net income.

PLM's total admitted assets grew by \$84.7 million to reach an all-time high of \$855.8 million. Policyholder surplus also reached a new milestone, growing to \$225.5 million, another record high.

Our investment portfolio also saw significant growth, expanding by \$73.1 million during the year. As part of a strategic shift in 2025, we reduced our equity holdings by 55.4%, generating \$26.1 million in realized gains and further strengthening capital.

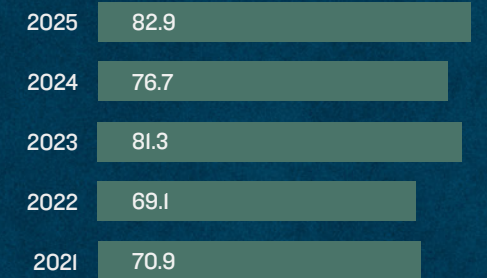
On the liability side, management continued to prioritize reserve adequacy. The increase in reserves was primarily driven by additional IBNR reserves booked during the year.

Overall, the year's financial results reflect PLM's disciplined, conservative approach to long-term management. We remain committed to maintaining strong reserves to ensure long-term protection for our policyholders. Even in a challenging environment, we strengthened our balance sheet, protected stakeholders' interests, and reinforced our commitment to financial stability.

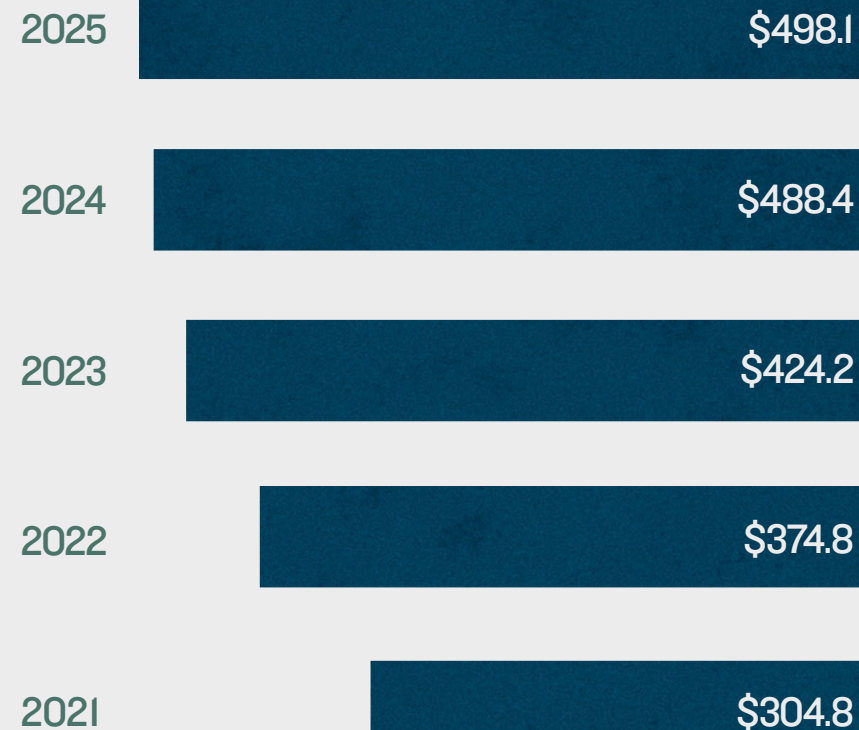
COMBINED RATIO (%)



ANNUAL LOSS RATIO (%)



DIRECT WRITTEN PREMIUM (\$ in Millions)



YEAR END SURPLUS (\$ in Millions)



DIVIDENDS (\$ in Millions)



**CONDENSED COMPARATIVE
STATUTORY BALANCE SHEET**

2025 VS. 2024 (\$ in Millions)

ASSETS	2025	2024	2025 vs. 2024 CHANGE
INVESTMENTS AND CASH			
Fixed Income Securities (at amortized cost)	\$528.4	\$430.1	\$98.3
Equity Securities (at market)	35.3	86.2	(50.9)
Cash, Short Term and Other Investments	78.5	53.0	25.5
TOTAL CASH AND INVESTMENTS	642.2	569.3	72.9
RECEIVABLES			
Premiums Due	159.1	169.5	(10.4)
Reinsurance Recoverable on Paid Losses	31.5	17.7	13.8
Accrued Investment Income	5.2	4.1	1.1
TOTAL RECEIVABLES	195.8	191.3	4.5
Other Assets	17.8	10.5	7.3
TOTAL ASSETS	\$855.8	\$771.1	\$84.7
LIABILITIES AND SURPLUS			
LIABILITIES			
Loss Reserves	\$379.8	\$307.1	\$72.7
Unearned Premium Reserves	195.3	195.2	0.1
Premium Due Reinsurers	21.8	19.6	2.2
Expenses Payable and Other Liabilities	33.4	30.8	2.6
TOTAL LIABILITIES	630.3	552.7	77.6
SURPLUS	225.5	218.4	7.1
TOTAL LIABILITIES AND SURPLUS	\$855.8	\$771.1	\$84.7

**CONDENSED COMPARATIVE
STATUTORY OPERATING RESULTS**

2025 VS. 2024 (\$ in Millions)

	2025	2024	2025 vs. 2024 CHANGE
Premiums Written – Direct	\$498.1	\$488.4	\$9.7
Premiums Written – Net	\$296.1	\$276.8	\$19.3
Premiums Earned	\$296.0	\$253.5	\$42.5
Losses Incurred	245.3	194.3	51.0
Expenses Incurred	68.8	58.9	9.9
TOTAL LOSSES AND EXPENSES	314.1	253.2	60.9
Underwriting Profit/(Loss)	(18.1)	0.3	(18.4)
Dividends	2.5	0.1	2.4
Underwriting Profit/(Loss) After Dividends	(20.6)	0.2	(20.8)
Net Investment Income	23.0	21.3	1.7
Pre-Tax Operating Income	2.4	21.5	(19.1)
Realized Gains & Other	27.4	3.9	23.5
Pre-Tax Income	29.8	25.4	4.4
Federal Income Taxes	7.2	6.6	0.6
Net Income	22.6	18.8	3.8
Change in Unrealized Gains (Net of Tax)	(15.5)	5.6	(21.1)
Other Surplus (Decrease)	-	(0.3)	0.3
Change in Surplus	\$7.1	\$24.1	(\$17.0)
Total Surplus	\$225.5	\$218.4	\$7.1
% Increase in Surplus	3.3%	12.4%	

Charitable Giving

For 130 years, PLM has been guided by a deep sense of responsibility to our policyholders, our industries, and the communities where we live and work. That commitment continues to shape our culture today, rooted in service and strengthened by the dedication of our employees.

Our team brings this commitment to life through hands-on volunteering, fundraising initiatives, and our annual United Way campaign. Whether contributing time, resources, or financial support, our employees consistently step forward to make a meaningful impact. To amplify those efforts, PLM proudly matches employee donations, reinforcing our shared belief that giving is a collective endeavor that strengthens our team.

COMMUNITY ENGAGEMENT

In 2025, 47 employees and interns volunteered across Philadelphia, Indianapolis, and Boca Raton, supporting organizations that address critical needs in their communities, including:

- › Boca Helping Hands – Boca Raton, FL
- › Cradles to Crayons – Philadelphia, PA
- › Gleaners Food Bank of Indiana, Inc. – Indianapolis, IN
- › Ronald McDonald House – Philadelphia, PA

From preparing meals and assembling care packages to hands-on service projects, these efforts reflect our passion to promote meaningful change beginning at the local level.

FUNDRAISING & INDUSTRY PARTICIPATION

PLM employees once again united around causes supporting lifesaving research and advocacy for children and families. These events not only raised critical funds but also strengthened relationships across teams and industry partners.

We proudly participated in the Big Climb, raising \$19,529 through employee contributions, a company match, and vendor support. The Big Climb event is a stair-climbing event that challenges participants physically while supporting the mission of the Leukemia & Lymphoma Society (LLS) to cure blood cancer.

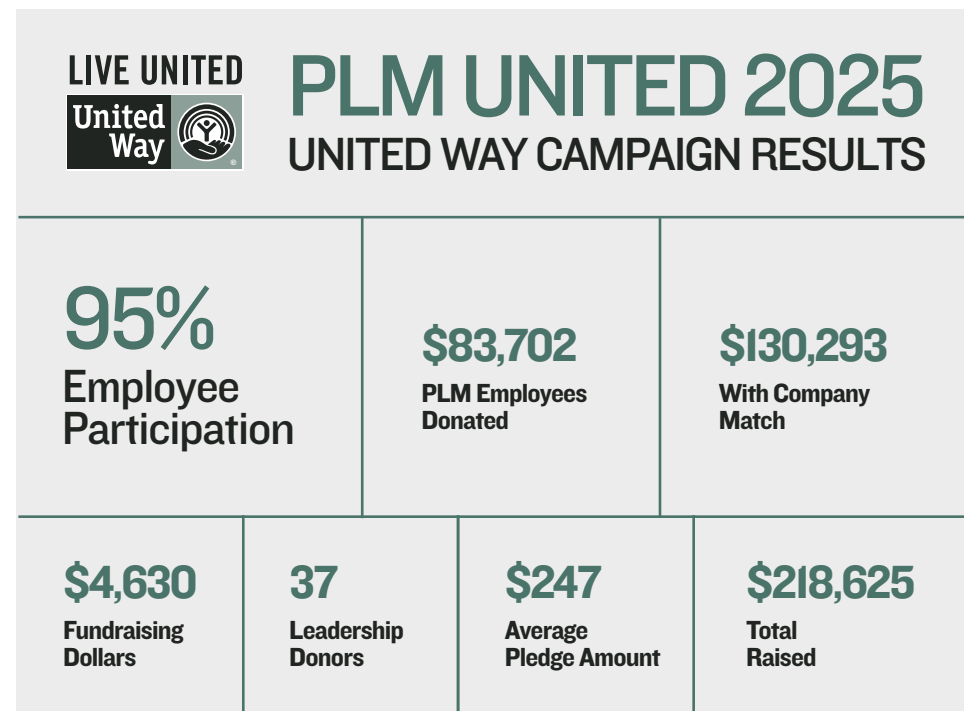
On a Saturday morning at Subaru Park, a team of employees came together to climb steps in support of this cause. The event was both meaningful and

inspiring, a reminder of the impact collective effort can have in advancing lifesaving research.

PLM also returned to the Insurance Softball League of Philadelphia. Many of our Philadelphia-based and visiting employees came together to play for bragging rights in the local insurance community. But the real purpose of the league is to 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. While the season may not have delivered a championship on the field, we once again took home the fundraising trophy by raising over \$16,000 towards the league's total of \$93,738.

UNITED WAY CAMPAIGN

The cornerstone of our charitable efforts remains our annual United Way campaign. Each fall, employees participate in a month-long campaign featuring pledges, fundraisers, and engagement



activities benefiting nonprofit organizations across the United Way network.

In 2025, 95% of employees participated, contributing \$83,702 in direct payroll donations. After fundraising events and company match, we were able to raise a total of \$218,625.

The continued enthusiasm and participation of our employees reflect the enduring strength of PLM's culture of caring. Donations were directed to causes most meaningful to our employees, supporting a wide range of community organizations and services.

As we reflect on our 130-year legacy, we are proud that giving back remains central to who we are. By honoring the values that shaped our past and investing in the well-being of our communities, we are helping build a stronger, more compassionate future for generations to come.

CHARITABLE ORGANIZATIONS

- American Cancer Society
- American Heart Association
- American Red Cross
- Anti-Defamation League
- Barnes Foundation
- Beaumont Retirement Services
- Boca Helping Hands
- Chesapeake Bay Foundation
- Children's Global Health Fund
- Children's Hospital of Philadelphia (CHOP)
- Church of the Holy Cross
- Church of the Open Door
- Community Action Lehigh Valley
- Cradles to Crayons
- Crescent Springs Presbyterian Church
- Cristo Rey Philadelphia High School
- Crohn's & Colitis Foundation
- Dementia Society of America
- Family Reach
- Fireman's Hall Museum
- First United Methodist Church
- Gleaners Food Bank of Indiana
- Habitat for Humanity
- Hampden-Sydney College
- Hardwood Federation
- Help Hope Live
- Israel Defense and Security Forum
- Jewish Federation of Greater Philadelphia
- Jewish Relief Agency
- Kodiak Foundation
- Leukemia & Lymphoma Society (now Blood Cancer United)
- Metropolitan Golf Association
- Museum of the American Revolution
- National African American Insurance Association (NAAIA) Foundation
- National Association of Mutual Insurance Companies (NAMIC)
- National Brain Tumor Society
- National Giving Alliance
- Octagon Wildlife Sanctuary
- Pennsylvania Association of Mutual Insurance Companies (PAMIC)
- Philadelphia Children's Alliance
- Philadelphia Children's Alliance
- Philadelphia Education Fund
- Philadelphia Horticulture Society
- Philadelphia Museum of Art
- Pledgeling Foundation
- Rider University
- Ronald McDonald House Charities Philadelphia Region
- Salem Museum & Historical Society
- Salem Presbyterian Church
- Second Harvest Food Bank
- St. Francis-in-the-Fields Episcopal Church
- St. Joseph's University
- St. Jude Children's Research Hospital
- St. Michael's Lutheran Church
- Sweet Briar College
- The ICMIF Foundation
- The Union League of Philadelphia
- U.S. Army Airborne & Special Operations Museum Foundation
- United States Golf Association
- United Way of Greater Philadelphia & Southern New Jersey
- Victoria 100 Club
- Washington Crossing Council, Boy Scouts of America (BSA)
- Western Hardwood Association
- Western Pallet Association (WPA)
- Wittenberg University





As we mark 130 years, PLM remains focused on the future. By supporting education, fostering leadership, and strengthening the industries we serve, we are building on a proud legacy while helping shape what comes next.

Industry Support

PLM's commitment to the industries we serve extends well beyond providing insurance coverage. For over 130 years, we have actively supported the growth and advancement of the lumber and wood industries, as well as the insurance industry we work in.

As a mutual insurer dedicated exclusively to lumber and wood-related businesses, we maintain deep engagement with industry associations nationwide. Our employees serve on boards and committees, participate in industry events, and collaborate with partners to address evolving operational, economic, and regulatory challenges facing the sector.

A central part of this engagement is education. Through sponsorships such as the North American Forest Foundation's Truth About Trees program, the Forever Forests exhibit, Wood on Wheels, and the Real American Hardwood Coalition, we help promote sustainability, careers in the wood industry, and the long-term value of real wood products. We also invest in women in lumber initiatives and next-generation groups to cultivate leadership and promote the vitality of the industry.



Equally important is ensuring the lumber and wood industries have a strong and informed voice in government. Legislative and regulatory decisions directly affect our policyholders and the broader supply chain. By supporting organizations that advocate on behalf of the industry such as NLBMDA and The Hardwood Federation, PLM helps advance initiatives that protect, strengthen, and promote the long-term health of the lumber and building materials sectors at both the state and federal levels.

Our support extends to the insurance community as well. We proudly sponsor organizations that advance professional growth and knowledge within the insurance industry, including The Insurance Society of Philadelphia, Gamma Iota Sigma, The Institutes, and The CPCU Society. Through the NAMIC Mutual Insurance Foundation Scholarship and PAMIC Scholarship Award, we further promote education and awareness of the mutual insurance model. These partnerships help cultivate emerging talent and prepare the next generation of insurance leaders.

Leadership development also begins at the local level. Through our longstanding partnership with Cristo Rey Philadelphia High School's Work-Study Program, PLM provides meaningful, real-world work experience to students from underserved backgrounds. Through mentorship, professional exposure, and hands-on learning, students gain insight into careers in insurance while building valuable skills for the future.

As we mark 130 years, PLM remains focused on the future. By supporting education, fostering leadership, and strengthening the industries we serve, we are building on a proud legacy while helping shape what comes next. Our long-term success, and that of our stakeholders, depends on thoughtful growth, collaboration, and a shared investment in what comes next.

Education/Awards

PLM's strength begins with the expertise of our people. In a specialized industry like ours, technical knowledge, industry insight, and disciplined decision-making are essential to delivering consistent value to our policyholders and broker partners. For that reason, professional development remains a central priority across the organization.

In 2025, 99% of employees participated in formal professional development initiatives, reflecting a culture that values continuous improvement. During the year, 23 employees earned new designations or certifications, including one employee who achieved the Chartered Property Casualty Underwriter (CPCU) designation through The Institutes. These accomplishments demonstrate not only individual dedication, but also PLM's ongoing investment in deepening expertise across underwriting, claims, and operations.

Beyond technical education, we continued to expand our focus on leadership development. Throughout the year, members of our management team participated in structured leadership programs and industry conferences hosted by organizations such as the Center for Creative Leadership, NAMIC, and The Institutes. Many leaders also engaged in individualized coaching to strengthen strategic thinking, communication, and team development skills.

Experiential growth remains an important component of this effort. Managers and emerging leaders were encouraged to lead committees, facilitate meetings, and contribute directly to strategic initiatives. These opportunities build confidence, accountability, and organizational alignment while preparing the next generation of leadership.

The leadership transitions that took place at the beginning of 2025 were the result of years of intentional planning and development. Succession is not a short-term initiative at PLM; it is an ongoing process grounded in mentorship, training, and long-term preparation. We will continue identifying and supporting emerging talent to ensure that PLM remains well positioned for sustained success.



2025 DESIGNATIONS/ CERTIFICATIONS

DAVE ADAMS	AIS
GREG ANDERSON	ONSPRING ADMIN
JILL BLOCKER	AINS
BILL BRUCH	OSPC
SUSAN CHO	AIS
GAIL COLBY	AIS
NICHOLAS CUSATO	AIAF
STEVE FIRKO	AIS
BRIDGET FISHER	AIC, AIS
DEBBIE FULLER	AINS
SCOTT JOHNSON	ARM
ZANE JOHNSTON	AINS, AIS
MATTHEW KIENHOLZ	AIS
ARLEN LEWIS	AINS
NEIL MOERMAN	WCP
STEPHONE OAKLEY	AIAF, ARC
MARIJA RAMON	ARM
YVETTE WILSON	AIS
SEAN WOOD	CPCU
DEAN YINGLING	AINS

INDUSTRY RECOGNITION

As a 130-year-old institution, PLM continues to evolve in ways that strengthen our ability to serve our policyholders and broker partners. In an industry where evolution can often be met with resistance, meaningful progress requires the commitment of our entire organization. At the core of PLM's impact are team members who exemplify their dedication to our mission of serving the lumber niche by showing up for insureds and playing a critical role in the professional growth of their teams and peers.

In 2025, both PLM and several of our employees were recognized by respected insurance and lumber industry organizations. During the year, PLM received five insurance and lumber industry recognition, including:

› **Digital Insurance Women in Insurance Leadership Honoree – Lindsey DiGangi:** Lindsey DiGangi, Vice President of Field Operations, was recognized for her contributions to digital transformation and leadership within PLM and the broader insurance industry. The award honors senior executives advancing innovation and modernization across the sector.

› **American Property Casualty Insurance Association (APCIA) Emerging Leader – David Adams:** An award honoring the rising leaders in the property & casualty insurance industry, David Adams, Vice President of Underwriting, was named a 2025 APCIA Emerging Leader. Adams was recognized for the key role he has played in driving growth throughout PLM's underwriting department, for his role as a mentor and for his commitment to furthering PLM's long-standing, impressive reputation in the insurance and lumber industries.

› **Insurance Business America (IBA) 2025 Rising Star - Stephen Hicks:** Vice President of Underwriting, Stephen Hicks, received Insurance Business America's Rising Star Award, honoring insurance professionals under

40 who demonstrate meaningful industry impact and leadership. His contributions to underwriting performance and team development were central to this recognition.

› **Insurance Insider Honors Employer of The Year Award:** The Insurance Insider Honors Awards is an annual program celebrating the accomplishments of organizations in the US wholesale, specialty and reinsurance markets. PLM was named Employer of The Year, recognized for our investment in our teams through cross-functional experiences, continued education support, charitable giving opportunities and several other initiatives.

› **PropertyCasualty360 (PC360) Insurance Luminaries Innovation in Workplace Culture Award:** The PC360 Insurance Luminaries honors those modernizing the property and casualty insurance industry. PLM received the award for Innovation in Workplace Culture highlighting our above-mentioned workplace investments.

› **HBS Dealer Top Women in Hardware & Building Supply Business Excellence Award Winner Tricia Kilrain:** Tricia Kilrain recognized as a leader who has demonstrated achievement, growth and success in the hardware and home improvement industry; embraced education and community service, and inspired others to follow a similar path.

We take pride in these accomplishments, not as ends in themselves, but as reflections of the dedication and professionalism of our team. As a mutual insurance company, our focus remains firmly on our policyholders. These recognitions underscore our commitment to continuous improvement and to providing the expertise, service, and protection that the businesses we serve rely upon.



PLM Employees

David Adams	Michael Conlin	Sheila Gjevre	Christopher Moran	Margaret Smith
Jeremiah Allen	Jonathan Corbin	Angie Marie Gorey	Keith Mosher	Christian Sousa
Varonda Almond	Carla Corrado	Cindi Graat	Charlene Mount	Zachary Sprague
Gregory Anderson	Domenic Costa	Michael Greenhall	Joe Murillo	Sydney Stenson
Joseph Armour	Owen Coyle	Natalie Griffith	Terry Murphy	Rita Taylor
Traci Barber	Alexandria Craig	Amelia Guerra	Eamon Murphy	Brian Telker
Stacy Barley	Abnel Crespo	Richard Hall	Capri Murray	Lauren Theriot
Caleb Bea	Lynn Crutchfield	Jason Hall	Lavondah Muse	Gregory Thomas
Matthew Bentley	Eleanor Curry	Stephen Hicks	Emiliano Navarro	Edward Tillman
Alex Beyer	Jennifer Danielian	Donna Hovey	Colleen Noss	Laura Tone
Corey Blanks	Leslie David	Harold Jamison	Stephone Oakley	John Visgauss
Jill Blocker	Diane Della Pia	Scott Johnson	James O'Leary	Lisa Voelker
Barbara Bloemker	Thomas DeMarco III	Zane Johnston	Laurie Oncale	Brandon Waddingham
Robert Bostic	Clint Detwiler-Alderfer	Jessica Johnston	Ricardo Ortiz	Gregory Waring
Lisa Bragg	Andrew Diaz	John Kennealy	William Osborne	Patrick Whelihan
Daniel Braiman	Andy Dickerson	Loretta Kephart	Vincent Pace	Andrew White
Tyler Brainerd	Lindsey DiGangi	Matthew Kienholz	Laura Page	Yvette Wilson
Stephanie Brennan	Lisa DiGangi	Tricia Kilrain	William Page	Sue Winstel
Sean Briscoe	LaToya Dillon	LeAnn Kish	Jack Paris	Sean Wood
William Bruch	Joseph Donnelly	Christine La Sala	Daniel Pascale	Christine Woodward
Tonya Burroughs	Deana Dorsey	Tammy Landers	Anh Pham	Dean Yingling
Rasheed Byrd	Erica Doyle	Nicholas Lawlor	Kristen Price	Michael Zdrojewski
Todd Byrd	Jaya Echevarria	Arlen Lewis	Marija Ramon	David Zeigenfuss
Christopher Cane	Marvin Edwards	Chris Lockwood	Michelle Revelle	
Claudette Cannatella-Ferazzoli	Christopher Erb	Regina Lopresti	Nicole Reynolds	
Julian Carroll	Michael Evans	Jeffrey Loth	Esmeralda Rivera	
Eric Caruso	Jeffrey Evans	Maria Lubbers	Jessica Rocha	
Carolyn Casey	Charles Fairweather	Syed Mahmud	Joseph Roche	
Kevin Cattell	Stephan Firko	John Marazzo	Raymond Rogers	
Lori Chaney	Bridget Fisher	Samuel Matthews	Kristine Schmidt	
Caitlyn Chase Baker	Carissa Franklin	David Mattos	Tanya Schuetz	
Arslan Chaudhry	Tricia Freeman	Karen McAllister	Michael Seiwert	
Susan Cho	Saniyah Freeman	Rachel McCarthy	Erin Selfe	
Louis Chow	Debbie Fuller	Sandra Meier	Benjamin Shafer	
Anna Cialone	Scott Gager	Jessica Melucci	Ruben Sidhu	
Kimberly Cimmino	Angelo Ganguzza	Tyrone Mitchell-Blakeney	Andrew Siminerio	
Gail Colby	BJ Gardner	Neil Moerman	Ernestine Simmons	
Kelly Conlan	Carey Gillen	Alisha Moloobhai	John Smith	
	Keia Gilliam	Chayla Monroe	Gregory Smith	

MILESTONE ANNIVERSARIES

FIVE YEARS

Jaya Echevarria
Karen McAllister
Sydney Stenson

TEN YEARS

Sean Briscoe
Jeffrey Evans
Matthew Kienholz

TWENTY YEARS

Daniel Braiman
Louis Chow
Carissa Franklin
BJ Gardner
Syed Mahmud
Michelle Revelle

TWENTY-FIVE YEARS

Traci Barber
Tonya Burroughs
Cindi Graat
Richard Hall

THIRTY-FIVE YEARS

Lisa Bragg

FORTY YEARS

Kelly Conlan

FORTY-FIVE YEARS

Barbara Schuster

PLM Officers



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



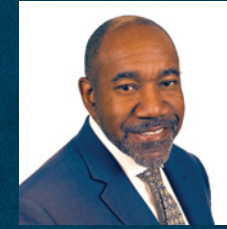
ERIN SELFE, CPCU
SENIOR VICE PRESIDENT
INFORMATION TECHNOLOGY



DAVID ADAMS, CPCU
VICE PRESIDENT
UNDERWRITING



TRACI BARBER
VICE PRESIDENT
CUSTOMER SERVICE



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



MATTHEW KIENHOLZ, CPCU
VICE PRESIDENT
MARKETING



TRICIA KILRAIN
VICE PRESIDENT
FIELD OPERATIONS

In early 2025, in addition to the previously announced leadership transitions involving Stephan Firko, Lindsey DiGangi, Stephen Hicks, and Sean Briscoe, PLM made several additional officer appointments and leadership rotations to further strengthen the organization and support its long-term strategy.

Dave Adams, CPCU – Vice President of Underwriting – Dave Adams joined PLM in 1997 as a Business Development Representative and has since held multiple leadership roles in field operations, most recently serving as Assistant

Vice President of Field Operations before transitioning to underwriting in 2025.

Traci Barber – Vice President of Customer Service – Traci Barber brings more than 30 years of insurance industry experience. She joined Indiana Lumbermens Mutual Insurance in 2000 and assumed leadership roles at PLM following the companies' 2014 affiliation, most recently serving as Assistant Vice President of Customer Service.

Matthew Kienholz, CPCU – Vice President of Marketing – Matthew Kienholz joined PLM in

2015 and has held leadership roles in accounting and regulatory affairs, most recently serving as Assistant Vice President of Regulatory & Government Affairs. He rotated into PLM's Marketing Department as part of the company's leadership development program.

Tricia Kilrain – Vice President of Field Operations – Tricia Kilrain joined PLM in 2008 as a Business Development Representative and later served as Western Field Manager and Assistant Vice President, helping drive significant growth across the company's western region.

The Next Generation of Leadership



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

LINDSEY DIGANGI, MBA, CPCU
VICE PRESIDENT
FIELD OPERATIONS

STEPHEN HICKS, EMBA, CPCU
VICE PRESIDENT
UNDERWRITING

SEAN T. BRISCOE, MBA
VICE PRESIDENT
LOSS CONTROL

WHICH CORE VALUE OR TRADITION FROM OUR PAST DO YOU BELIEVE WILL CONTINUE TO GUIDE US INTO THE FUTURE?

Our tradition centers on building direct connections with our stakeholders, a value rooted in our founding as a mutual insurer created by lumbermen seeking a company that truly understood their needs. For more than 130 years, we've maintained this approach through personal relationships with those we insure, proactive loss control services, and an accessible claims process. We also strengthen these connections through active industry participation and both financial and non-financial contributions. This commitment allows us to understand and adapt to the evolving needs of our stakeholders and grow alongside the industry we serve.

HOW CAN WE ENSURE GROWTH WHILE STAYING TRUE TO OUR ROOTS?

As a mutual insurance provider, our primary duty is to act in the best interest of our insureds. This requires a disciplined approach to risk management that guides both our investment strategy and how we build our business portfolio. At the same time, our mission is to be the premier insurance provider for the lumber and building materials sector, which calls for innovative thinking around growth opportunities. Green Tree Risk Partners, our in-house wholesale agency, plays a pivotal role in this strategy. By leveraging our industry relationships and expertise, we can responsibly expand our risk tolerance while maintaining financial strength and delivering valuable solutions to those we insure.

WHAT DOES 'BEING A STEWARD OF A 130-YEAR LEGACY' MEAN TO YOU PERSONALLY?

It's a privilege and a commitment. It's rare to see companies with this type of history. We're lucky enough to be surrounded by that longevity every day between our insureds and our industry peers. When I look for commonality amongst that group of companies, I see pride above all else. Pride in the legacy and the mission of their founders, and their ability to carry that forward. We stand on the shoulders of those who came before us, and we have the opportunity to leave our organizations stronger than how we found them. It's an honor and a commitment that I take very seriously.

WHAT DOES SUCCESS LOOK LIKE FOR THE NEXT ERA OF OUR ORGANIZATION?

Success looks like profitable growth in an evolving environment. The concept of profitable growth is nothing new to PLM, but the ways that we accomplish that will need to continue to evolve. We don't expect your business to stay the same, so we can't expect to stay the same either. Success looks like scaling with our stakeholders through our products, services, and relationships. It's meeting people where they're at and being a part of where they want to go. It's putting people first – our insureds, broker partners, and our own people, because, after all, this is a relationship business.

HOW DOES OUR LEGACY INFLUENCE THE WAY YOU MAKE DECISIONS TODAY?

Our legacy is the lens through which we collectively view the organization. While we have new members joining the senior leadership team and bringing fresh perspectives and ideas, the goal remains the same: how do we better protect and serve the lumber and building materials industries? As stewards of the organization, our responsibility is to build on the excellent work of those who came before us and position the organization to carry its storied legacy forward for years to come.

HOW DO YOU SEE THE ORGANIZATION EVOLVING TO MEET FUTURE CHALLENGES?

For years we've touted that we're not a sleepy mutual company; we're not afraid to change to meet the demands of an evolving world. We've built a unique and unmatched expertise and data set in the lumber and building materials industries. Now, I see us learning how to truly harness and leverage that data to guide the organization to the next level of success in an increasingly data-driven world.

WHAT FUTURE TRENDS DO YOU BELIEVE WILL SHAPE OUR INDUSTRY, AND HOW ARE WE PREPARING FOR THEM?

Technological advancement across business, particularly within the insurance industry, is the primary trend shaping our future. From data analytics and telematics to predictive modeling and the growing use of artificial intelligence, these tools are transforming how we operate. Future success and competitive advantage will depend on how effectively companies adopt and maximize these innovations.

While we are a 130-year-old company, we remain committed to adapting and embracing change. We're not diving headfirst into every new technology at once, but we are thoughtfully integrating modern tools through strong vendor partnerships, including platforms that support predictive analytics, claims management, and loss control. As artificial intelligence continues to evolve across the industry, we will continue to strategically apply these tools to strengthen our products and service model.

WHAT MOTIVATES YOU AS WE STEP INTO THE NEXT 130 YEARS?

I'm genuinely excited to be part of the next chapter in our evolution as a premier property & casualty insurance company. In this role, I have the opportunity to stay closely connected with all our stakeholders: insureds, employees, reinsurance partners, board members, and broker partners. Having the ability to help shape our future while maintaining those strong relationships motivates me every day.

Board of Directors



In April 2025, the PLM Board of Directors marked an important transition, bidding farewell to two dedicated members and welcoming two new additions. As a mutual insurer, the counsel and guidance of our Board play a vital role in safeguarding the long-term strength and strategic direction of the organization. We are intentional in building a Board that reflects a thoughtful balance of financial expertise, insurance leadership, and direct experience within the lumber and wood industries we serve.

Lumbermens and Indiana Lumbermens. He retired in 2017 and subsequently joined the PLM Board.

While serving as a director, Mr. Myers contributed to the Executive, Audit Nominating, and Investment Committees. His familiarity with the lumber niche and experience as an insurance executive provided valuable perspective as PLM evaluated acquisition opportunities and long-term growth strategies.

We extend our sincere appreciation to John and Craig for their years of service, thoughtful counsel, and enduring commitment to PLM's mission.



RETIRING BOARD MEMBERS

After 11 years of service, **John F. Wolf** retired from the PLM Board. Mr. Wolf's distinguished 44-year career in insurance began with Indiana Lumbermens Mutual Insurance Company in 1969. Starting in the mail department, he advanced through roles in Marketing, Underwriting, District Sales, and National Accounts before being elected President in 1995. In 2007, he also assumed the title of Chief Executive Officer.

During his tenure on the PLM Board, Mr. Wolf served on the Executive and Executive Compensation Committees and chaired the Audit Nominating Committee. He played a key role in the affiliation between Pennsylvania Lumbermens and Indiana Lumbermens and provided valuable insight into the wood niche, reinsurance marketplace, and broader insurance industry. His experience and steady leadership were instrumental in guiding PLM through a period of growth and integration.

W. Craig Myers also retired from the Board after eight years of dedicated service. Mr. Myers's 47-year insurance career included leadership roles at One Beacon Insurance, Tower Group, and Hirsch, Wolf & Company. He joined PLM in 2006 as Regional Manager – Field Operations and later served as Vice President – Marketing and Vice President – Integration, where he led the successful integration of Pennsylvania

WELCOMING NEW BOARD MEMBERS

We are pleased to welcome **Don W. Blackwell**, CPA, retired Senior Vice President of Investments at PLM. A graduate of Indiana University with a degree in Accounting, Mr. Blackwell began his career with Ernst & Whinney (Young) before entering the insurance industry, where he served as a financial officer for four insurance carriers over 31 years. Following the affiliation between Pennsylvania Lumbermens and Indiana Lumbermens, he joined PLM and retired in 2017 as Senior Vice President of Investments. In recent years, he has remained actively engaged with PLM through strategic consulting related to investments and retirement planning. His financial expertise and deep familiarity with PLM's operations strengthen the Board's oversight of capital and investment strategy.

We also welcome **Stephen J. Sallah**, retired President & CEO of LBM Advantage. Mr. Sallah holds a degree in mechanical engineering from the University of Massachusetts at Amherst and an MBA from Harvard Business School. He began his career serving as a nuclear engineer and submarine officer in the U.S. Navy, ultimately retiring from the Naval Reserves as a Commander. He later spent 16 years at IBM working in various roles, including engineer, semiconductor pricing

and program management, division controller, and program manager before joining LBM Advantage in 2008 as Chief Financial Officer. He retired in 2024 as President & CEO. Mr. Sallah brings direct lumber industry leadership experience and strategic insight that further strengthens PLM's connection to the businesses we serve.

As we move forward, we remain committed to maintaining a Board composed of leaders whose diverse experience spanning insurance, finance, and the lumber and building materials industries to provide balanced perspective and sound governance. Their guidance supports PLM's mission of long-term stability, disciplined growth, and dedicated service to our policyholders.

TIMOTHY W. CALLAHAN, II, ESQ.

OF COUNSEL, SAUL EWING LLP
PHILADELPHIA, PA
CHAIRMAN OF THE BOARD

JOHN K. SMITH

PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY
PHILADELPHIA, PA

DON W. BLACKWELL, CPA

RETIRED INVESTMENTS SVP – PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY
PHILADELPHIA, PA

STEPHEN F. BOYD

MANUFACTURERS RESERVE SUPPLY, INC.
IRVINGTON, NJ

CALLY FROMME

RETIRED EXECUTIVE – KODIAK BUILDING PARTNERS
VICTORIA, TX

JOHN T. HILL, II, CPA

PUBLIC SERVICE INSURANCE COMPANY
NEW YORK, NY

JAMES JOLINGER

BEACH INVESTMENT COUNSEL, INC.
WEST CONSHOHOCKEN, PA

STEPHEN J. SALLAH

RETIRED PRESIDENT & CEO – LBM ADVANTAGE
NEW WINDSOR, NY

ANDREW WINN

CENTURA CAPITAL, LLC
BRYN MAWR, PA

JACK YATES, III

CARLINO CAPITAL MANAGEMENT CORPORATION
WYOMISSING, PA



1945



“The first years of a company such as ours are the most critical period of its existence, and having passed through this, we feel confident as to our future.”

EDWARD HENSON

(PLM PRESIDENT 1895-1931)

“Having built upon the foundation laid by those before us, we move forward with the same confidence... guided by our history, strengthened by our people, and committed to protecting the industries that depend on us for generations to come.”

JOHN K. SMITH

(PLM PRESIDENT 2003 – PRESENT)

1895



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



PENNSYLVANIA LUMBERMENS
MUTUAL INSURANCE COMPANY

GREEN TREE RISK PARTNERS

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PHILADELPHIA, PA 19103-7008