

# Building the MBG Experience

Annual Report 2023

# President's Message

In the 2022 Annual Report, Steve Sliver shared sage advice on handling change from the Greek philosopher Socrates: "The secret of change is to focus all your energy, not on fighting the past, but on building the new."

In 2023, we followed Steve's and Socrates' sound guidance and we looked to the future where we found enormous potential for Mutual Benefit Group (MBG). The leadership team that we brought together in the fourth quarter of 2022 celebrated their first year of working together; and matured quickly through the distinct phases of team development, adopting a strong "bias for action." Faced with the need for rapid changes to products, processes, and prices the entire team at MBG focused on how they could improve results in the short- and longer-term.

We recognized negative economic impacts from inflation, supply chain shortages, and expanded timelines on claims to care for policyholders. We initiated change across the organization to address revenues, expenses, and losses. We reviewed every facet of our business to improve rate adequacy, refine underwriting guidelines and acceptance criteria, regain expense discipline, and enhance contract and vendor management.

The team relied on their depth of insurance experience and decisive leadership to evaluate and gain approvals for rate and policy changes designed to strengthen our financial position. We seized available opportunities presented by the hard insurance markets affecting the products we write and both states we serve, Maryland and Pennsylvania. Operationally, I applaud our Analytics, Business, Compliance, Legal, Technology, and Marketing teams for the sense of urgency and precise execution they delivered to implement rate increases across commercial and personal lines products in record breaking times. Specifically, all major products received rate revisions by mid-July 2023, which allowed Mutual Benefit Group to record its largest direct written premium in our history at \$142.3 million dollars.





In addition to collecting the largest written premium in our history, MBG achieved several other significant accomplishments in 2023, including enhanced contract and vendor management and setting a new direction for technology solution. We also reversed an increasing trend of expenses (~2ppts better than plan) by establishing guardrails aligned with industry and competitive benchmarks and resetting staffing levels for more efficient operations and achieved a claims satisfaction net promoter score of 74.

Being insured is a promise and provides peace of mind when the unexpected happens. Everyone at MBG works to provide that protection and security with care and compassion for our policyholders. We refer to this as "The MBG Experience." At our strategic planning conference in October, we created a vision for the future and built a strategic framework to facilitate and support our journey. We reaffirmed and rededicated the company to outstanding service delivered through strong relationships. Our Mission Statement and Core Values starts and finishes with delivering The MBG Experience. Our strategic plan focuses on ensuring the company always achieves and maintains financial health that is measured and delivered through enhanced data and technology. This provides better experiences for our agents, policyholders, business partners, and our employees. As a mutual insurance company, Mutual Benefit Group is part of the communities we serve, and we take our role seriously. Our commitment is to remain financially strong. This fulfills our promise to our policyholders and is delivered through our enterprise risk management and is woven through every part of the company. Underwriting, pricing, reinsurance, investments, staffing, and board oversight all work together to understand, measure, identify, and mitigate risk. Every area uses leading indicators and proactively makes decisions to remain vigilant and capable in the most challenging times. We use a commonsense example to underpin and communicate the extent of our commitment and preparation: "if or when the worst-case scenario happens, MBG will always be accessible and ready to serve our customers."

I am extremely proud of our people, the MBG culture, and the Huntingdon community. We are all accepting the challenges, working together, and demonstrating the resiliency and perseverance that has sustained Mutual Benefit Group for 115 years.

Throughout this report, we will share examples from 2023 that highlight how we worked together to protect and restore policyholders by serving their needs with care and compassion – The MBG Experience. I am confident in the entire Mutual Benefit Group organization: our leadership team, board of directors, employees, agents, and business partners. I know we will continue to strengthen and build upon the promises we make to work as one team and deliver outstanding service. Everyone understands their role, accepts the responsibility, and is accountable to each other. We are **One Team with One Mission!**

Thank you,



Gary Williams, President and CEO



## Foundation of the MBG Experience

For 115 years, Mutual Benefit Group has weathered the many cycles of the insurance market. Fluctuations between hard and soft markets can put stress on and fracture the foundation that insurance companies are built upon. Mutual Benefit Group has persevered through these times because we have relied on our core values of Integrity, Dependability, and Community. These core values are the foundation to each and every experience with our agents, policyholders, vendors, employees, and communities.

Building relationships, building trust, and rebuilding lives has been instrumental in the success of Mutual Benefit Group and is known as "The MBG Experience." We are dedicated to creating an insurance experience that benefits both our agents and our policyholders. We are known for our strong relationships with policyholders and agents; for our responsive, friendly, knowledgeable staff; and for claims service that consistently garners a high level of satisfaction.

As the insurance industry works through the current market, Mutual Benefit Group will continue to strengthen our foundations, commitments, and partnerships to meet our policyholder's needs for protection and security.





# MUTUAL BENEFIT GROUP



**Mark R. Cummins**



**Judy L. Loy**



**Gary A. Williams**



**Janis L. Herschkowitz**



**Debra A. Goodling-Kime**



**Peter M. McManamon**



**Robert R. Packer**



**Steven C. Sliver**



**Bradley J. Wagner**

## Officers of the Board:

**Robert R. Packer**

*Chair of the Board*

**Mark R. Cummins**

*Vice Chair of the Board*

**Gary A. Williams**

*President*

*Chief Executive Officer*

**Joseph L. Sloan**

*Vice President*

*Chief Financial Officer*

*Treasurer*

*Secretary*

## Board of Directors:

**Mark R. Cummins**

*Sparta, NJ*

**Debra A. Goodling-Kime**

*Dover, PA*

**Janis L. Herschkowitz**

*Hummelstown, PA*

**Judy L. Loy**

*Port Matilda, PA*

**Robert R. Packer**

*Clymer, PA*

**Steven C. Sliver**

*Huntingdon, PA*

**Bradley J. Wagner**

*Manheim, PA*

**Gary A. Williams**

*Huntingdon, PA*

**Peter M. McManamon**

*Board Member, Emeritus*

# Windows of the MBG Experience

## INTEGRITY

The Merriam-Webster Dictionary defines integrity as “firm adherence to a code of especially moral or artistic values.” Fast Track Claims Adjuster, Patti Duvall, believes integrity means treating others with kindness and respect. Time and time again, the Claims Department receives positive communication from insureds, claimants, and vendors regarding excellent service provided by Patti. This type of communication is the true meaning behind Mutual Benefit Group’s first core value, Integrity. Mutual Benefit values the relationships that are built not only with employees, but also with our agents and policyholders. As Billy Graham states: “Integrity means that we are trustworthy and dependable, and our character is above reproach.”

Patti has been with Mutual Benefit for 25 years and has been a member of the Claims Department the entire time. Patti strives to treat every customer with respect and makes it her goal to provide the best service possible when handling claims and calls. Patti communicates with insureds, claimants, and vendors from the start of the claim to finish.

A policyholder recently had a deer claim that was handled by Patti. When asked about their experience, the policyholder said, “Everything went smoothly. [Patti] stayed in touch

with me all the way, even though the repair took several months to schedule. I was extremely pleased.”

The Claims Department often works with anxious and upset policyholders. Patti Duvall is just one example of the outstanding efforts done every day by the claims staff. A strong work ethic, showing compassion to the policyholders in their time of need, and serving with integrity is what shines the light in on “The MBG Experience.”

**“The staff at MBG - from the claims representative to the adjuster have been incredible. I can honestly say that this is the best experience I have had with any insurance company. Kudos to MBG and your incredible staff.” - Amii (Deer Loss)**





# Windows of the MBG Experience

## DEPENDABILITY

According to Zig Ziglar, "Ability is important in our quest for success, but dependability is critical". Dependability is Mutual Benefit Group's second core value, and is one of the Accounting Department's greatest abilities. Being dependable is particularly essential for members of the Accounting Department, who often must comply with strict timelines established by regulatory agencies.

Accounting Assistant, Tammy Mitchell, plays an important role within the Accounting Department to ensure Mutual Benefit Group is meeting its financial responsibilities accurately and timely. Tammy has been with Mutual Benefit Group for 18 years and strives daily to provide courteous, prompt customer service in every interaction with both internal and external partners. Tammy has a strong work ethic, is a team player, and has an excellent attention to detail. One of Tammy's greatest strengths is her dependability. It has been said that Tammy tends to perform like clockwork!

Mutual Benefit values dependability not only in its employees, but also agents and policyholders. When we work together as one team, we are able to successfully provide the true "MBG Experience."

**"As a long tenured Mutual Benefit employee in the accounting department, I am honored to be able to serve the organization to the best of my ability, providing dependable and quality service in a consistent and timely manner." - Tammy Mitchell**



# Windows of the MBG Experience

## COMMUNITY

"The greatness of a community is most accurately measured by the compassionate actions of its members." – Coretta Scott King

Mutual Benefit Group's third core value is Community. As an organization, Mutual Benefit Group strives to be a major partner in the community and supports local charities and groups to assist the needs of the area.

That desire to give back and partner with the community is a value that is exemplified by many of Mutual Benefit's employees. Two of those employees, Dante DiOrio and Dwight Soles, are members of the Huntingdon Area Habitat for Humanity. Dante is the Personal Lines General Manager and has been with Mutual Benefit for seven years. Dwight Soles is the Facilities Manager and has been with Mutual Benefit for eight years.

Dante and Dwight are currently working on a project with Habitat for Humanity at a home that is located in the heart of Huntingdon, not far from the Mutual Benefit office. Both Dante and Dwight have played a major role in the renovations of the property and take great satisfaction in giving back.

Dante said, "I am proud to be able to support my local community by providing affordable housing through my involvement with Huntingdon Habitat for Humanity." Dwight said, "I am proud to use my skills to help build someone an affordable home through Habitat for Humanity."

Habitat for Humanity's mission is to bring people together to build homes, communities, and hope. The group puts faith into action by helping to build, renovate, or preserve homes. They partner with others to broaden access to affordable housing as a foundation for breaking the cycle of poverty and by creating dignity.

The Huntingdon Area Habitat for Humanity was founded in 1988 as an independent affiliate of Habitat for Humanity International. The group is run entirely by volunteers and is supported by donations from local businesses, including Mutual Benefit Group. As an organization and as individuals, these compassionate actions are part of serving the community in the spirit of "The MBG Experience."



**"Our success is measured as it promotes positive and lasting social, economic and spiritual change in our community, where our work within the community is based on mutual trust and shared accomplishment."**

**-Huntingdon County Habitat for Humanity**



# Opening Doors to the MBG Experience



CEO Gary Williams, center, recently presented Huntingdon County PRIDE with two new wheelchairs. Williams said MBG's core values of integrity, community and dependability align well with PRIDE's mission of promoting rehabilitation, independence, dignity and education for individuals with physical disabilities.



WSMT Insurance (Maryland) donating enough food to feed 9 families to SARC (The Sexual Assault/Spouse Abuse Resource Center) Harford County for Thanksgiving. Working within the community, we are the catalyst for the eradication and prevention of violence.



In December, the Manso-Suprano Agency held a fundraising event for Cross your Paws Rescue in Murrysville, PA.



Every September, Mutual Benefit volunteers at the Huntingdon County United Way's Day of Caring to spend the day working on a variety of projects within the community.



# Building Relationships

# Building Trust

## Rebuilding Lives

When our policyholders choose an independent agent they start with a foundation of high quality. Our agents are selected based on their customer service, integrity, and overall excellence in the field.

Walter and Lallah Brillhart have relied on Ecker's Agency in Westminster, Maryland to assist them with their insurance needs for the last 53 years. The couple worked with third-generation agent, Brad Ecker, to build the perfect policies. Mr. Ecker suggested they place their home, auto, and commercial policies with Mutual Benefit Group.

The Brillharts were away on vacation when they received a call from their daughter-in-law that their house had been struck by lightning and was on fire. They immediately returned home, calling Mutual Benefit's claims hotline before even seeing the damage themselves.

Mutual Benefit partners with Greg Rhinehart of Sedgwick Claims Management Services, Inc. Sedgwick is one of the several independent adjusters who work with the Claims Department. Together, Claims and independent adjusters like Sedgwick can address property claims in an expediated manner. Within the first 24 hours of the Brillharts' fire, Greg Rhinehart was on the scene and a plan was in place for restoration. When discussing their relationship with Mr. Rhinehart, Mr. Brillhart stated he has "never met a finer gentleman." Mr. Brillhart said they were assured by Mr. Rhinehart that they "didn't have to worry about a thing."





The Brillharts worked directly with Mr. Rhinehart to choose high quality contractors to rebuild the damaged portion of their home. Additionally, Mr. Rhinehart connected them with a restoration specialist to handle the fire and water damage inside the home.

As a result of the extensive damage, the family was displaced during the restoration. Yet within a matter of months, the Brillhart's were able to return to their home of 38 years. In their words, the Brillharts congratulated MBG for their promptness and thoroughness in responding, assessing, and completing this claim.

Mr. and Mrs. Brillhart were extremely pleased with the Mutual Benefit Experience from beginning to end. In their time of need, Mutual Benefit Group and its partners provided excellent customer service and delivered on the promises set forth by the Brillharts' policy. The Brillharts were more than appreciative, stating, "We were not surprised but very satisfied."



**"It's comforting to know that when any of my policyholders have a claim that MBG will handle it promptly, professional and fair."**  
**- Brad Ecker- President- Ecker Agency (Pictured with his son, Jason Ecker)**



**"The assurance of knowing Mutual Benefit and your agents had things under control and plans were in motion to get our home restored was very comforting."**  
**-Walter & Lallah Brillhart**

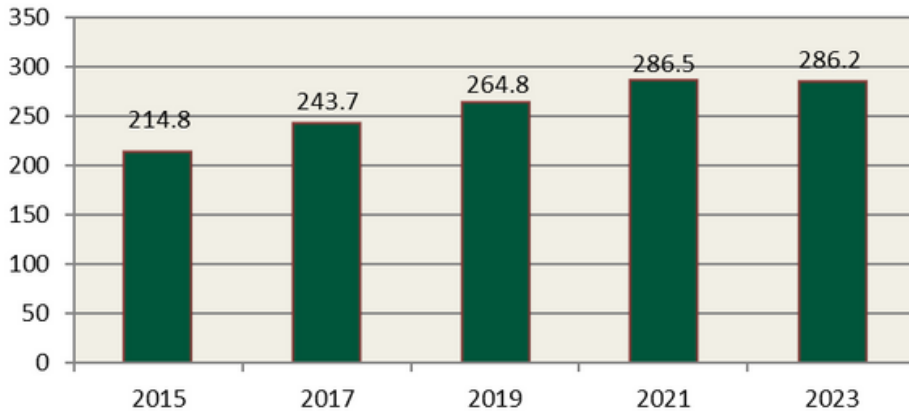


**Teamwork and open lines of communication between the homeowners, their restoration contractor and myself, resulted in a positive outcome to restore their home back to its pre-loss condition in a timely manner."**  
**-Greg Reinhart, Executive General Adjuster - Sedgwick**

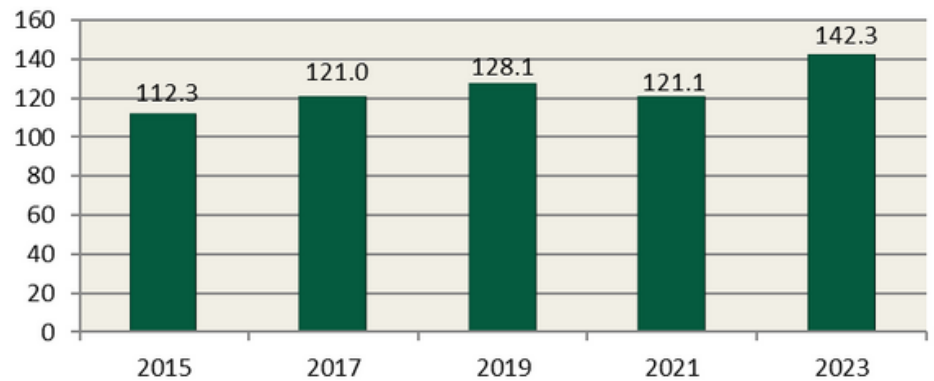


# Financial Results

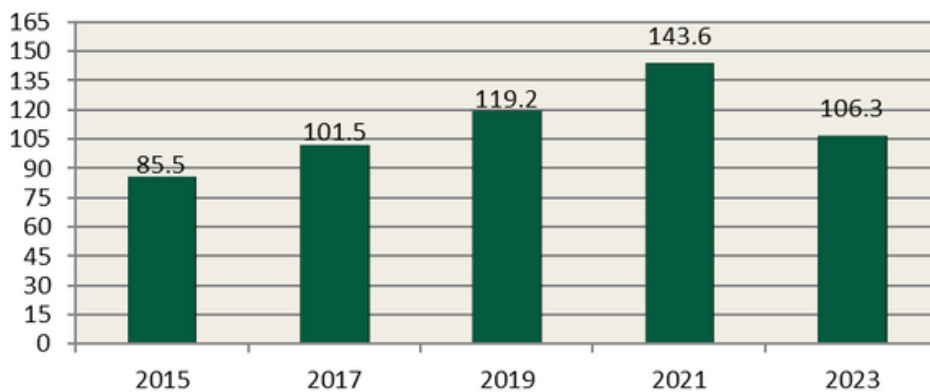
## Assets (millions)



## Premium Writings (millions)



## Policyholder Surplus (millions)





Assets (ooo's)	2023	2022
Cash in Bank	\$ 16,191	\$ 7,788
Bonds (Amortized)	\$ 186,381	\$ 170,224
Stocks (Market)	\$ 31,753	\$ 56,440
Real Estate	\$ 6,409	\$ 6,679
Accounts Receivable	\$ 41,393	\$ 33,999
Reinsurance Recoverable	\$ 1,543	\$ 473
Accrued Interest	\$ 1,895	\$ 1,703
All Other Assets	\$ 586	\$ 586
	\$ 286,151	\$ 277,892

Liabilities (ooo's)	2023	2022
Reserves for Unearned Premium	\$ 63,947	\$ 56,191
Reserve For Loss and Adjusting Expense	\$ 97,848	\$ 91,828
Reserve For All Other Liabilities	\$ 18,007	\$ 15,469
Policyholder Surplus	\$ 106,349	\$ 114,404
	\$ 286,151	\$ 277,892



# Cornerstone of the MBG Experience



## Kovacik Ins. Agency Western, PA

"In an ever changing industry, it's refreshing to have a personal one on one working relationship with your underwriter to help navigate this hard market. Brian Okum and Brooke Dysard always go above and beyond to write business with our agency." - Daniel Dunlap



## BAH Insurance, LLC Maryland

"We have been fortunate to have Mutual Benefit as our most valued regional carrier, and it's their people that create the value. Our agency production would flatten without the hard work of Randy, Bonita and Jamie. BAH Insurance looks forward to continued future growth with MBG" - Ryan Markoff



## Sassa & Concannon, Inc Eastern, PA

"MBG has been crucial to the success of our agency. With MBG being our top carrier, we have thoroughly enjoyed the partnership since we've been appointed. We look forward to continuing to write profitable business and are excited for many years to come!" - John Concannon



## Robertson Insurance & Risk Management Eastern, PA

"Our relationship with MBG is one that we can rely on. It's consistency year-over-year allows our agency to serve our mutual clients with confidence." - Neil Robertson



## Walkway to the MBG Experience

- ✓ Rated A- (Excellent) by A.M. Best Company, the leading independent analyst of the insurance industry.
- ✓ Offering personal and commercial insurance coverages, including homeowners, automobile, commercial package plans, workers' compensation, and umbrella through MBG's member companies: Mutual Benefit Insurance Company and Select Risk Insurance Company.
- ✓ Named among the Best Places to Work in PA a total of nine times, since 2009.
- ✓ Providing prompt, efficient claims service to nearly 65,000 policyholders through full-time staff adjusters and independent adjusting specialists.
- ✓ Represented by independent insurance agents at 327 different locations throughout Pennsylvania and Maryland.







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