From PROMISE To PERFORMANCE

2019 ANNUAL REPORT
When the chips are down, and you are standing outside your fire-ravished building, you can only hope you didn’t gamble on your insurance company. You bought a promise from your insurer, a promise that it would be there to perform and make you whole again. In the course of overcoming your personal disaster, you will surely come to know if that promise translates into performance.

The insurance industry spends significantly on advertising. Irrespective of the marketing glitz and glitter, the insurance company’s value to you will ultimately be measured on how that company performs at the time of a claim. They made you a promise; did they perform?

Throughout the years, I have used this annual report to write about our effectiveness at claims settlement because that is where MBG must keep its sacred promises to you. Once again this year, I would like to inform you about our claim service, which hand-in-hand with our financial strength, validates our benefit to you as our policyholder.

You can see from the graphics in this annual report that MBG set a record for policyholders’ surplus. At $119 million, MBG is financially stronger than it has ever been. Additionally, our assets grew to $265 million.

Throughout history, it has been difficult to be a prophet in one’s own land. As you read the related article about the Huntingdon fire claim we settled for Mr. Handy and M&T Vacuum, MBG was described from a block away as “a bright light in the middle of the darkness”. Mr. Handy is not alone in his assessment of MBG’s claim settlement performance. Our policyholder claim survey for 2019 rated our overall performance as satisfactory by 97% of the respondents. Our net promoter score was once again world-class at 83%. From promise to performance, MBG is an insurance company you don’t need to gamble on because we’ll be there when the chips are down.

Rather than to go into a lengthy dissertation about all of the other things MBG is doing for you to ensure your financial well-being and security, I thought it prudent to simply illustrate our ability to protect you, your family and your business insurance needs. We promise. And, we will work tirelessly to perform. You can count on it.

Thank you for believing in MBG for your insurance needs during 2019. We will be honored and privileged to serve you again in 2020 and for many years to come.

Steven C. Sliver
President and CEO
From PROMISE to PERFORMANCE:
Business owner calls MBG his “light in the darkness”

When Mike Handy put head to pillow on the night of August 24, 2019, he had no idea that in just a few short hours he would be facing what he calls “the first true catastrophe” of his life: his main source of livelihood would be gone; four families who rented from him would be homeless; and one of his neighbor’s buildings in downtown Huntingdon, Pennsylvania, would be a casualty as well.

He also had no idea that before he could make it to the scene of the catastrophe, before he could locate his tenants, before it had even occurred to him that he needed to call his insurance company, his insurance company was already on the job.

Nothing Short of a Miracle
In the early morning hours of August 25, the urgent pulsing of his cell phone drew Mike up from a well of leaden sleep. The frantic voice on the other end belonged to a tenant who rented one of the four apartments in the building that also housed Mike’s business, M&T Central Vacuum Systems. A whine of controlled panic swelled in Mike’s brain as he learned that his business and the four adjacent apartments above and below the storefront were going up in flames. To make matters worse, tongues of fire had leapt from the roof of M&T to the unoccupied apartment building next door.

Mike immediately left several projects he’d been working on in another part of the state and began a heartsick drive home. Anguish for his tenants and the owners of the building next to his consumed him as he drove.

Thanks to nothing short of a miracle, a police officer on night patrol had noticed coils of smoke rising from the roof of M&T around 3 a.m. on Sunday. He immediately began pounding on the doors of the apartments. All the tenants, including two small children, scrambled to safety. They stood in the middle of Washington Street with nothing but the nightclothes on their backs, watching as their home and possessions disintegrated into a pile of charred rubble.

MBG Was on the Scene in 24 Hours
Nothing that Mike’s imagination had conjured up during his journey home could have prepared him for that first glimpse of his burning business. Determined flames were still drubbing the morass of blackened beams that used to be the roof covering M&T, a business it had taken him 26 years to build.

Thanks to the speed, skill and diligence of volunteer firefighters, the blazes at both buildings were contained before they could spread to any other downtown businesses. And while neither Mike’s building nor his neighbor’s burned to the ground, both sustained major damage from fire, smoke, and water and were deemed total losses.

(Continued on Page 4)
Mike spent the rest of that Sunday locating his tenants and making sure their immediate needs were met. It was 5:45 p.m. when he finally called to report the fire to his insurance company, Mutual Benefit Group (MBG). “I was scared...very apprehensive about what would come next,” he admits.

Unbeknownst to Mike, MBG had been on the case since 9:30 Sunday morning. As it happened, MBG insured not only Mike’s building, but the neighboring building that caught fire as well. The owners of that property had already called MBG’s direct claim reporting line. Their call was immediately escalated to Maurice Delenne, MBG’s on-duty claims representative for that Sunday. Delenne talked with the couple who owned the neighboring building, documenting the details of the loss. He then notified Mark Russell, MBG’s Vice President of Claims. By the time Mike called to place his own report, MBG adjuster Phil Hynes had already been assigned to oversee the two claims. Due to the extensive nature of the loss, MBG also called in an independent adjuster, Greg Rhinehart, as well as a cause and origination investigator to inspect the damage at the two properties. Both men were on the scene the very next day. Russell was also there to answer any questions Mike or his neighbors had.

“They Were A Light in My Darkness”

“I would say I was truly emotionally distraught on Monday morning, in a way I had never been before,” Mike recalls. “It was to the point that I found myself apologizing to Greg, telling him that my reactions and my inability to think clearly as he asked me questions were totally out of character for me. But he was really understanding and patient with me. He explained exactly how everything would proceed so I knew what to expect. And it went just as he said it would.”

During the investigation, it was determined that the origin of the fire was electrical in nature.

“Mutual Benefit’s staff and the other professionals they brought in were a light in my darkness,” says Mike. “The day after the fire, I had a check for $1,000 from MBG in my hands no make sure my wife and I had no hardship paying bills. In five days, I had another check for the rest of my claim.” (The owners of the damaged building next door to M&T received final payment from MBG for their loss within 12 business days of the fire.)

MBG expedited demolition and removal of the damaged buildings, which Mike says played a huge role in helping him accept the loss and move forward. “The buildings were a constant ugly reminder of what had happened, and it was such a relief to have them gone,” recalls Mike. “I just can’t praise Mutual Benefit enough for all they did to help me so quickly. I was completely satisfied with the outcome. I’d be their spokesperson any day!”
While MBG policyholder Mike Handy says he’d be a spokesperson for Mutual Benefit Group following the company’s handling of the fire loss at his business, he’s become a spokesperson for independent insurance agents, too.

“I bought my Mutual Benefit policy 20 years ago thanks to the advice of my agent at Port Agency in Huntingdon,” says Mike. “They made sure I had the right kinds of coverage and the right amount of it so I would have what I needed in the event my business was destroyed.” The Port Agency is a member of Central Insurers Group.

When his business fire claim was settled, Mike received payment to cover the loss of the building itself; the business personal property inside the building, including his inventory; money to cover the income from his business that he lost due to the fire; and the funds necessary to demolish the building and remove the debris.

“What I would tell all business owners is to find themselves a good agent who knows insurance and who knows business. And I would say, listen to them! At the time I took out my policy, and over the years, I was always able to maintain a safety net of savings in the bank. So I would tell my agent that I wanted the lowest amount of coverage on my building so I could keep my insurance costs down.

“Now that I’ve been through the fire, I can see that I would have been in deep trouble if I didn’t have that savings because I had chosen to skimp a bit on insurance, against my agent’s advice. Because I had my safety net in the bank, I have enough money to rebuild my business. But not everyone is in my position. I would urge any business owner who doesn’t have a stable business savings account to be sure they listen to their agent when it comes to how much coverage they will truly need to rebuild their business if the worst happens.”

Mike also advises tenants to visit an agent to talk about renter’s insurance. “A landlord’s insurance for a building doesn’t necessarily cover a tenant’s belongings,” says Mike. “None of my tenants who lived in the M&T building had tenant’s insurance. For a pretty small monthly fee, I think between $8 and $12, a renter can get $5,000 worth of coverage for things like their clothes, appliances, computers, etc. It’s more than worth it.”

MBG echoes Mike’s sentiments. As an insurance carrier, we promise to perform whenever our policyholders have a claim. But our performance can only be as good as the coverage our policyholders decide to purchase. Independent agents are the professionals best equipped to help consumers make those purchasing decisions; they offer customers experienced advice and a choice of companies with a variety of plans to meet a variety of needs. For over 100 years, MBG has proudly chosen to partner with independent agents like Central Insurers Group, Jack H. Port Agency, and we will continue to support the unique customer service experience independent agents bring to the table.
Dear Mr. O'Brien,

My name is Jacob Blank and I am a multiple policyholder with Mutual Benefit Insurance Company. Through a series of unfortunate events I have had to utilize both my personal lines and commercial lines insurance. I wanted to take the opportunity to express my sincere gratitude for the way your staff has handled all my losses.

We have an upright freezer, stove and refrigerator in our garage; it’s a wife thing I guess. We had a fire in our garage in October 2013. It was caused when my son placed his football pads and equipment on the stove top, accidentally turning on the top burners setting fire to his equipment. This ultimately turned into a blazing inferno of melting plastic in no time. He was able to drag the stove out of the garage and extinguish the fire on it as well as the fire that had spread to the garage wall. I needed to file a claim for my loss as the fire destroyed quite a bit of the garage structure as well as our fridge, freezer, and other personal items such as coats, shoes and the like. The adjuster assigned to my claim was probably following proper procedure on your end, but on my end he exceeded all my expectations!

He kept in contact to make sure that the restoration company was satisfactorily completing the rebuild. We had smoke damage to all our winter coats, jackets, shoes and other personal items. I thought that these types of items were a lost cause, but your adjuster foresaw that they were a covered loss and took care of making sure they were promptly replaced. He instructed me to let him know that he would take care of any items I may have overlooked on the initial claim. He was both courteous and kind during all of our conversations. I began to feel that my family and I were in good hands. I cannot speak highly enough of the adjuster and the way that he took care of us during this difficult time.

We live in the country where the deer are abundant. Our personal cars as well as my business truck have found several of them, reducing the deer population but creating the need yet again to file a claim to get the damage repaired. The most recent involved my business truck. The adjuster assigned to my loss was Patty Duvall. Again I cannot speak highly enough of your staff. Ms. Duvall took full responsibility for making sure I had my truck repaired as soon as it could be, I make my living with my truck so I lost revenue every day that I was without it. Because of the professionalism and customer service your adjusters showed me in the past, I entrusted all the details of my truck repairs with Ms. Duvall. Through the entire process she took care of a secondary appraisal, coordinated a rental and took care of all the details with the body shop.
where I have my repairs made. Before I knew it I was back on the job in my repaired truck. Again, your employee Ms. Duvall had exceeded all my expectations!

I became insured with Mutual Benefit through a trusted friend who represented your company. He has since shifted his focus on to other types of insurance. I was leery of starting out with a new agent that I did not know anything about. But my friend took care of transferring my policies to my new agent and assured me that I was in good hands, as indeed I was. My insurance policies are now entrusted with Pontius Insurance Agency. When I hit the deer with my truck, I simply spent five minutes in their office answering a few questions concerning my collision with the deer. Your adjuster Ms. Duvall then contacted me, confirmed my information over the phone, and had me back in my work truck in a very short time.

The agencies that your company affiliates itself with as well as your employees are the best of the best. I have all my personal auto, business auto, homeowners, business liability and my umbrella insurance with your company. It is because of your personnel and the way I have been treated during prior losses that I will continue to keep all of my business with you. When I find an organization that has a stellar performance record, there is never a need to think about going elsewhere. Thank you for doing such a great job!

Most Sincerely,

Jacob R. Blank
Blank Specialty Renovations LLC

Jacob Blank with his sons Andrew, 16, left, and Daniel, 18. Andrew just became a licensed driver and is the newest member of the Blank family to be covered by MBG.
PARTNERS AT PONTIUS INSURANCE

Pontius staff members shown front to back are Account Executives Lisa McCallister, Tracy Giddings, Aimee Firmi, Kelly Pace and owner Daniel Pontius. Pictured with them is Mutual Benefit Senior Marketing Representative Renee Gialloreto who works closely with agents in Western Pennsylvania to bring policyholders The MBG Experience.

The Performance of the “Best of the Best”

As policyholder Jacob Blank puts it, “The agencies that [MBG] affiliates itself with as well as [their] employees are the best of the best.” MBG is indeed proud to partner with the top independent insurance agencies across Pennsylvania and Maryland, like the staff at Pontius Insurance, New Castle, PA, shown above. They work closely with MBG’s underwriters, claim adjusters, and operation service staff, some of whom are pictured below, to ensure that policyholders have the coverage and compassion they need to fully recover from losses that life may bring their way.

INTEGRITY, COMMUNITY, DEPENDABILITY

Those three principles are the core values Mutual Benefit’s employees strive to embody every day. Shown left to right are Commercial Lines Senior Underwriter Julie Reed and Personal Lines Underwriter Amanda Zanylo, who handled Mr. Blank’s accounts with Pontius Insurance; Fast-Track Claims Adjuster I Patti Duvall, who settled Mr. Blank’s business auto claim; and Operation Service Representative Kim Brown, who assists policyholders with billing and service inquiries.
Leadership

Mark R. Cummins
Sparta, NJ

Debra A. Goodling-Kime
Dover, PA

Timothy I. Havice
Lewistown, PA

Janis Herschkowitz
Hummelstown, PA

Judy L. Loy
Port Matilda, PA

Peter M. McManamon
Huntingdon, PA

Robert R. Packer
Clymer, PA

Steven C. Sliver
Huntingdon, PA

Bradley J. Wagner
Manheim, PA

Robert R. Packer
Chair of the Board

Steve C. Sliver
President
Chief Executive Officer

Kevin M. O’Brien
Chief Operating Officer

Peter M. McManamon
Secretary

Mark R. Cummins
Vice Chair of the Board

Joseph L. Sloan
Vice President
Treasurer
Chief Financial Officer
From PROMISE to PERFORMANCE:

Building Financial Strength to Secure Your Future

Policyholder Surplus
(millions)

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Company Overview

- Rated A- (Excellent) by A.M. Best Company, the leading independent analyst of the insurance industry.

- Represented by more than 300 independent insurance agents throughout Pennsylvania and Maryland.

- Providing prompt, efficient claims service to nearly 70,000 policyholders through full-time staff adjusters and independent adjusting specialists.

- Offering a full line of personal and commercial insurance coverages, including homeowners, automobile, commercial package plans, workers’ compensation, inland marine, and umbrella through Mutual Benefit Insurance Company and Select Risk Insurance Company.