

People,
Purpose,
Progress



2025 Annual REPORT



President's Message

Each year, I have the pleasure of reflecting on the progress Preferred Mutual Insurance has made to position ourselves for long-term success. This report highlights the many ways our team advanced our company throughout 2025—across operations, technology, community engagement, and service—while remaining firmly grounded in our People-First philosophy. We are committed to fostering an environment that supports the growth, well-being, and success of our employees, because we know that when our people thrive, so does our business and the communities we serve.

A major focus in 2025 was our Business Transformation initiative to continue modernizing our core systems to better support our policyholders, agents, and employees. These efforts are strengthening our foundation and positioning us to better meet the needs of those who rely on us.

We demonstrated strong results in significant areas, ending with \$436M in Direct Written Premium, \$302M in Surplus, and \$744M in Total Assets. We remain proud of our financial standing and our ability to meet our contractual obligations, offering our customers the same dependable security we have been proud to offer for more than 129 years.

Equally important is how we serve the people who depend on us. Our customer Net Promoter Score (cNPS) remained strong and stable above the industry average at 46, reflecting our continued focus on delivering quality service and positive customer experience. Internally, our Overall Workplace Experience Score improved to 84, exceeding both industry benchmarks as well as last year's results.

Our employees continued to make a meaningful impact beyond the workplace. In 2025, Preferred Mutual employees volunteered a combined 851 hours in support of the communities we serve. We are incredibly proud of the impact we have made in support of the organizations and causes that make our communities home.

We were honored to receive several external recognitions this year. Preferred Mutual was once again named a Top Workplaces USA Award recipient, AM Best affirmed our Financial Strength Rating of 'A' (Excellent) with a 'Stable' outlook for the 23rd consecutive year, and we were recognized among the 2025 RISE Professionals Elite 50 Internships, affirming our commitment to developing talent and investing in the future of our industry.



As we look ahead, the pace of change will continue to accelerate. The implementation of new systems and advanced AI tools will further modernize our operations, improve efficiency, and enhance the experiences of our customers, agents, and employees. These efforts ensure that Preferred Mutual remains well positioned for long-term success.

On behalf of the Board of Directors and our entire team, thank you for being part of this journey. As we look ahead, our focus remains on supporting the people and communities we serve. Together, we are building a strong future grounded in People, Purpose, and Progress.

R. Benedikt Sander
President & CEO

People First

For more than a century, Preferred Mutual has been shaped by the people we serve and work alongside. Our employees, independent agents, and policyholders are central to our People-First purpose, guiding how we work, how we serve, and how we progress as an organization.

People at the Center of Our Work

Our employees are the foundation of Preferred Mutual. Their expertise, care, and commitment guide how we serve others and how we grow as an organization. Grounded in our core values—**Curiosity**, **Authenticity**, **Grit**, **Collaboration**, and **Compassion**—we foster a workplace where people are encouraged to learn, contribute, and do meaningful work in support of the people who rely on us.

We support our employees through ongoing development, modern tools, and an environment that values teamwork and shared responsibility. By investing in our people and empowering them in the workplace, we create an environment where our whole team can thrive.

Purposeful Partnerships with Our Agents

Maintaining strong relationships with our independent agency partners plays a vital role in delivering on our purpose. Through close collaboration, we work alongside our agency partners to navigate change, respond to evolving needs, and support long-term success.

By providing practical resources, dependable technology, and a personal touch, we help agents focus on what matters most: serving their clients. These partnerships are built on trust, shared goals, and a mutual commitment to protecting policyholders and strengthening our collective future.

Progress for Our Policyholders

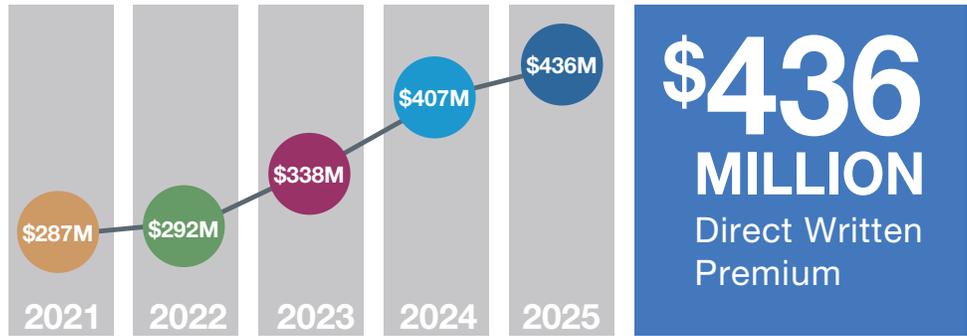
Our purpose comes to life through the protection and peace of mind we provide to policyholders. We approach this responsibility with care, expertise, and a genuine understanding of what matters most to them.

By listening, responding, and delivering thoughtful solutions, we help policyholders move forward with confidence when they need us most. This commitment allows them to focus on what lies ahead, knowing they are supported by a company dedicated to helping them *Live Assured*.





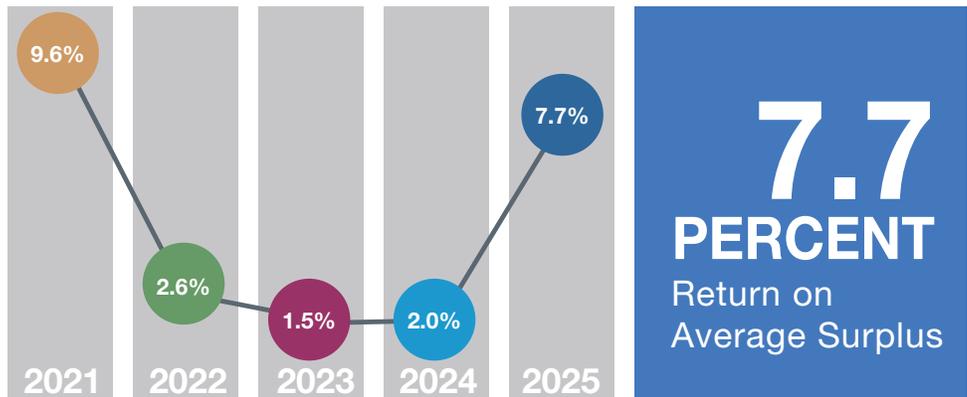
Strong Financial Performance



\$436
MILLION
Direct Written
Premium



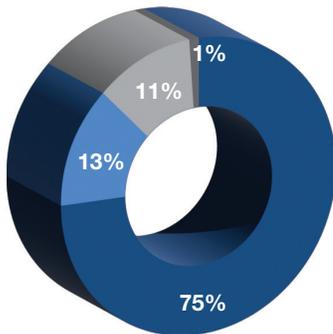
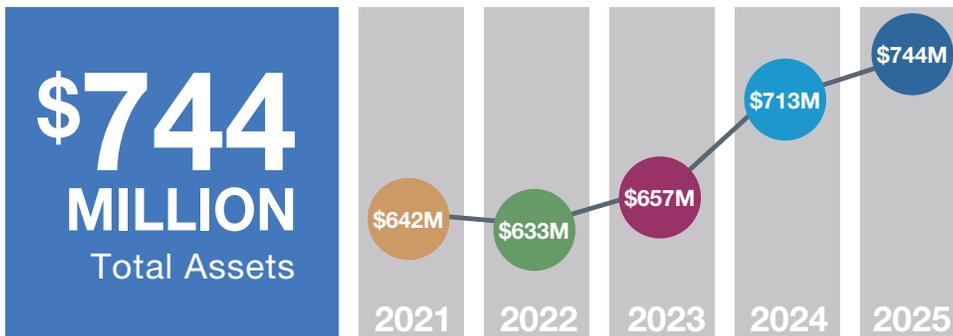
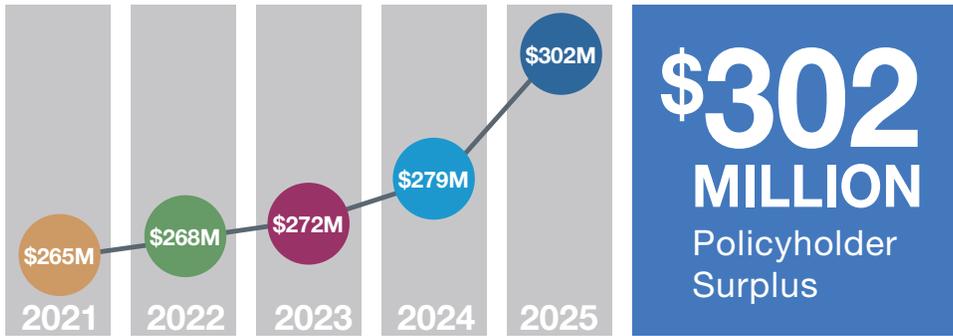
98.7
PERCENT
Combined Ratio



7.7
PERCENT
Return on
Average Surplus



Strong Financial Performance



- Bonds
- Cash
- Common Stocks
- All Other



Company Quick Facts



697
Agency Partners



941
Independent Store Fronts



129
Years In Business



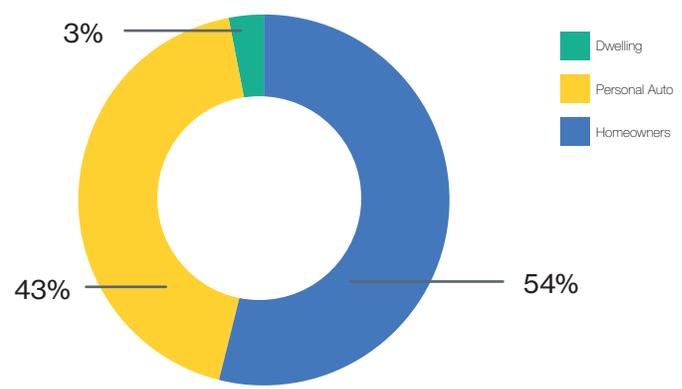
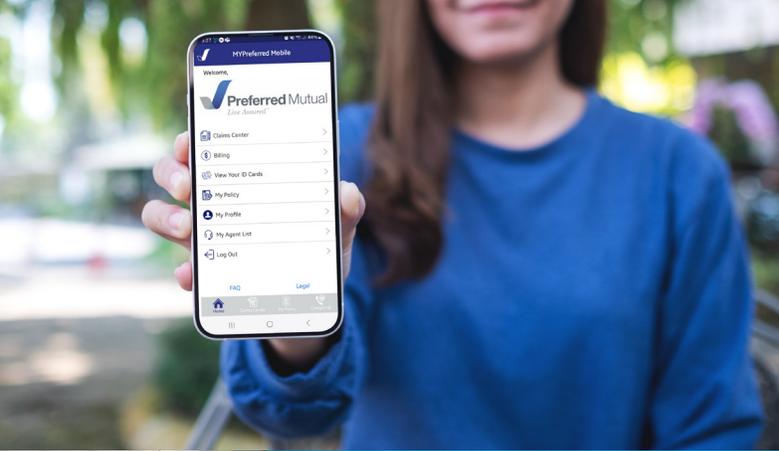
\$302
Million Surplus



\$744
Million Total Assets

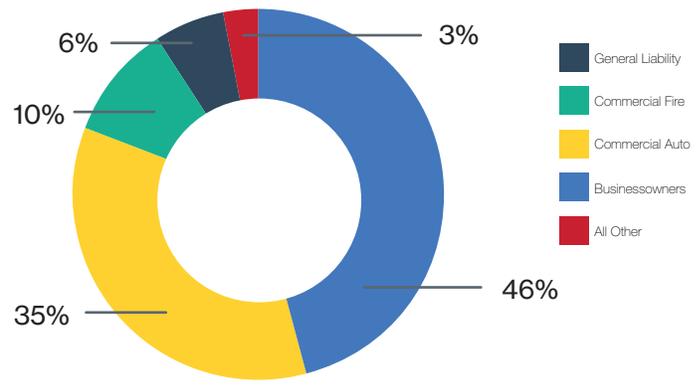


Rated Excellent
From AM Best



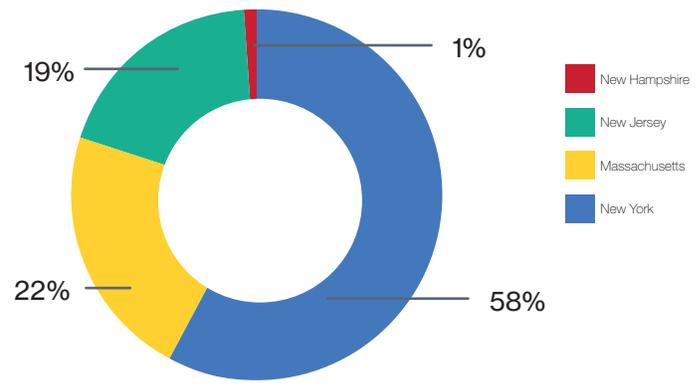
Personal Lines

In 2025, Personal Lines DWP grew by 8.5% to \$302M, from \$278M in 2024. This compares to 20% growth the year before. Continued inflationary pressures and higher loss indications drove increased rates and exposure changes. PL's Combined Ratio in 2025 of 102.1% finished higher than our plan of 98.2% and higher than the prior year of 101.0%. Higher losses and lower written premium impacting net expense ratio are the drivers.



Commercial Lines

Commercial Lines DWP expanded to \$135M or 4% higher than the prior year. This compares to a 13% premium growth in 2024. CL finished 2025 with a Combined Ratio of 91.0%, better than our plan of 98.2% and the 97.2% in 2024. This improvement is coming from lower losses and expenses than expected.



Premium Distribution

Preferred Mutual's DWP of \$436M is distributed between Personal and Commercial Lines products across a four-state footprint in the Northeast. This diversification has remained consistent with prior years and is aligned with expectations.

Community Service with Purpose



Go Red for Women Luncheon



Gus Macker Basketball Dream Court



Clear Path for Veterans



Food Pantry for Catholic Charities



Donations to Susquehanna SPCA



Donations to Chenango SPCA

At Preferred Mutual, supporting the organizations and initiatives that make our communities home is central to our purpose. We believe that showing up in the places where we live and serve is an essential part of who we are, and in 2025, our employees continued to turn that belief into meaningful action.

With a continued focus on education and youth development, we supported local school districts through literacy programs and youth activities, provided scholarships to four college-bound high school seniors, and partnered with community organizations to help meet evolving local needs. By investing in future generations, we help strengthen the communities we serve for years to come.

Our annual Giving Tuesday campaign brought more than 100 employees together to support 21 organizations and initiatives across four states during the holiday season. As part of our annual Corporate Conference volunteer efforts, employees volunteered 85 hours supporting six organizations in our hometown of New Berlin. Altogether, we are extremely proud to share 129 employees volunteered a combined 851 hours in our communities in 2025.

Preferred Mutual was proud to again sponsor and participate in the Gus Macker basketball tournament in Norwich, NY, and to continue our longstanding partnership with the American Heart Association through initiatives focused on improving heart health and overall well-being.

Throughout the year, Team Preferred supported additional community efforts, including environmental cleanups in New Berlin, charitable raffles benefiting local organizations, and volunteer and donation initiatives supporting organizations like the Susquehanna SPCA, Clear Path for Veterans, and the United Way of Mid Rural New York. Together, these efforts demonstrate a shared commitment to making a positive difference through service, compassion, and care.

We are grateful for the passion and dedication our employees bring to these efforts. Their willingness to give their time and energy strengthens our ability to support the communities that make our region home and reinforces the People-First purpose that guides our work each day.

ORGANIZATIONS SUPPORTED IN 2025

- Amelia's Voice
- Anthony C Drago Tip-Off Tournament
- Boy Scouts Troop 61 of New Berlin
- Candia Youth Sponsor
- Charlotte Valley Central School
- Chenango Blues Festival
- Chenango County 4-H
- Chenango County Agricultural Society
- Chenango County Council of the Arts
- Chenango County Fair
- Chenango County Helping Families
- Chenango County Historical Society
- Chenango County Pride Alliance
- Chenango County SWCD
- Chenango Greenway
- Chenango Memorial Hospital
- Community Cupboard
- Community Foundation for South Central NY
- Cooperstown Chamber of Commerce
- Cooperstown Foundation for Excellence in Education
- Cooperstown Friends of the Parks
- Cooperstown Winter Carnival
- Delaware Chenango Madison Otsego BOCES
- Delaware County Chamber of Commerce
- Earlville Fire Company
- Earlville Opera House
- Edmeston Central School
- Fokine Ballet Company
- Galena Growlers
- Greene Community Labor Day Picnic
- Gus Macker
- Helios Care
- Heritage Home for Women
- Hospice & Palliative Care of Chenango County
- KODA Volleyball Club
- Le Moyne College
- Mid York Little League
- Morris Central School
- Nate Lull Scholarship Foundation
- National Summer Ayrshire Spectacular
- New Berlin Fire Department
- Norwich Airport Day
- Norwich Boys & Girls Basketball Booster Club
- Norwich Dollars for Scholars
- Norwich Family YMCA
- Norwich High School
- Norwich Junior Football Inc
- Norwich Oxford Little League
- NYAIAI
- NYSSIU
- Oneonta Family YMCA
- Oneonta Reading is Fundamental
- Otsego County Chamber of Commerce
- Otsego County Fair
- Oxford Academy Central Schools
- Pat Grasso Holiday Basketball Tournament
- Pathfinder Village
- Richfield Springs Central School District
- Schenevus Booster Club
- Schenevus Foundation for Excellence
- Sherburne Earlville Central School
- Sherburne Youth Football and Cheer
- SMW Scholarship Foundation
- South New Berlin Fire Department
- Super Heroes Humane Society
- Susquehanna SPCA
- Syracuse Society of CPCU
- The ARC Otsego
- The Blitz
- The Place
- Tri Town Youth Commission
- Unadilla Valley Central Schools
- Unatego Central School
- Utica Chapter CPCU
- Worcester Hose Company

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R. Benedikt Sander

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