

Annual Report

2024



President's Message

There is a song by the Beatles you may have heard called "Getting Better". There is a line in the song that goes:

*"I've got to admit it's getting better (better)
A little better all the time (it can't get no worse)"*

2024 for your Company was a little like those song lyrics as we saw significant improvement after an extremely difficult 2023. We continue to face headwinds however from one of the worst macro-economic environments seen in the insurance business for many decades. We are making good progress in ensuring our financial stability while continuing to serve you, our members, with exceptional service and thoughtfulness.

While the macro-economic challenges continue to be significant, we also see climate change affecting us as we experienced six natural catastrophes in 2024. This is a three-fold increase in what we would normally expect.

Ultimately, as you will see in our financial report, we had our third straight year of posting a loss, but we saw good improvements and positive trends in most areas.

Looking forward, we plan on continuing to build a strong and resilient foundation that will serve us well as we face more and more uncertainty in the risks we bear. Our 2025 plan includes enhanced data and analytics work to ensure our rate for risk is as accurate as possible. We are also investing in new technology to enhance our efficiency and ability to provide world-class service and products. We plan to invest more in our commercial lines abilities as we see a great opportunity to have more of our membership represented by business owners. Our Member's Best Package program will continue to be our highlighted personal lines product as it allows our members to manage all their personal risks on one package policy. And finally, we plan to continue to be the dominant insurer of agriculture in the Pacific Northwest.

These actions are working to improve our financial position, and your management team is confident we will return to stable and predictable outcomes in the ensuing years.

Although weakened, our balance sheet remains strong, and we are sufficiently capitalized to assure our claims paying ability. AM Best, our financial rating organization, rated Mutual of Enumclaw "A- Excellent". Demotech, our other rating agency, continues to give your company their "A Prime" – unsurpassed capital adequacy rating.

While current financial challenges have required our focus, we remain committed to our unique marketplace position as a member-owned organization dedicated to serving our members. We measure our success in member satisfaction with our Net Promoter Scores, which continue to be the best in the industry. **[continues on the following page]**

Recently, I had a conversation with one of our members, and this is what he wrote to me afterwards:

"Thanks again for your time and dedication to your business. You and your company are a rarity in respect of customer service and providing the ability for a customer to actually speak with a real, local, concerned representative - like old times. Hopefully your example will catch on with more companies. Thank you very much once again."

We understand that exceptional world class service starts with highly engaged and enthusiastic Associates. To that end we are proud to have been named one of the 100 best companies to work for in Washington for a record 13th straight year by **Seattle Business**.

The belief that we are stewards of this 127-year-old organization drives what we do. Those who work here strive to leave the Company better off for our members than when they arrived. Our purpose and our dream is to build a 500-year-old company, a Company that thrives well beyond our lifetimes. A Company where our children's children work to protect and serve our members for many generations to come.

On a personal note, I've announced my retirement after nearly 25 years with Mutual of Enumclaw. The Board of Directors is actively seeking our next CEO, and we will announce when they complete their process. My time here at MoE has been the joy of my life and I am grateful to have been a part of this wonderful organization. I would especially like to thank all our Associates I've had the pleasure to work with and who continue to amaze me with their hard work and dedication.

Thank you all for being a member, and as the Beatles said... "It's getting better all the time"....

Best Wishes for a Safe and Prosperous 2025.



A handwritten signature in black ink that reads "Eric Nelson". The signature is fluid and cursive.

Eric Nelson, CPCU, ARP
President and CEO



Our Mission

Thoughtful people protecting our members

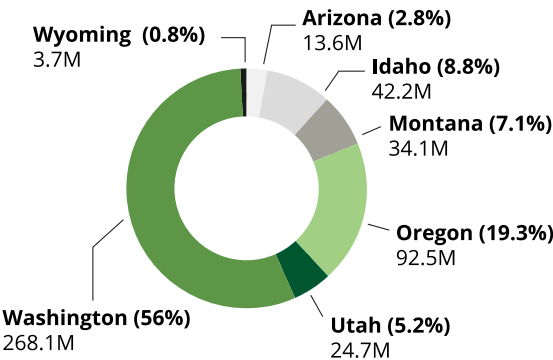
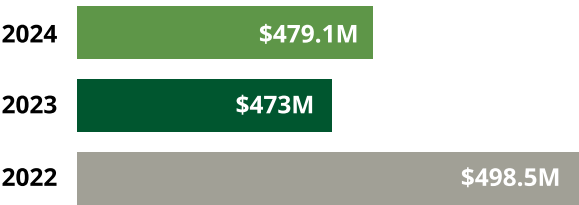
Our Purpose

To build a 500-year-old company

2024 Financial Summary

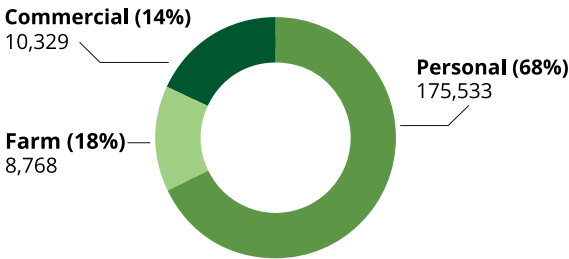
Premiums Written by Year

In 2024, premiums written **grew by 1.3%**, totaling **\$479.1 million**. Our extensive network of independent agencies continued to collaborate with us to provide local service. We deeply appreciate your trust in our thoughtful coverages that you can always rely on.



Premiums Written by State

We proudly serve members in seven states: Washington, Oregon, Idaho, Utah, Arizona, Montana, and Wyoming. Washington continues to be our largest state, while Montana has experienced rapid growth since our launch in 2018. We are dedicated to providing you with localized insurance coverages and services when you need them most.



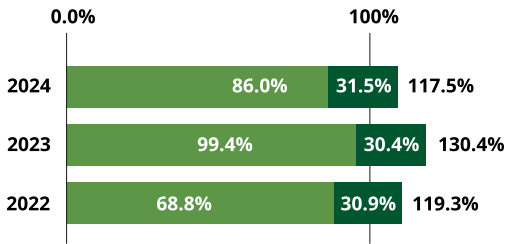
Premiums Written by Line of Business

The insurance industry has faced significant challenges in recent years, leading us to realign our risk appetite to better reflect emerging trends. In 2024, our membership numbers decreased, and we closed the year with **194,630 active policies**.

We extend our heartfelt gratitude to all of our members for being an essential part of our **member-owned mutual company**.

Your continued support and trust are invaluable to us.

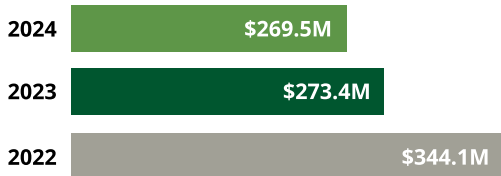
2024 Financial Summary



Combined Ratio

Combined ratio measures an insurer's underwriting profitability, with results under 100% indicating an underwriting profit.

As we continue our path to recovery, we recorded a combined ratio of 117.5%. We have implemented essential rate adjustments and underwriting actions to address loss trends and remain confident in our return to profitability in the near future.



Equity

Equity represents retained earnings and measures an insurance company's financial strength and capacity to write new business.

In 2024, six catastrophe events temporarily contracted our equity, **ending the year at \$269.5 million**. Despite these challenges, our **financial stability remains strong**, with an A- (Excellent) rating from A.M. Best and an A' Unsurpassed rating from Demotech.

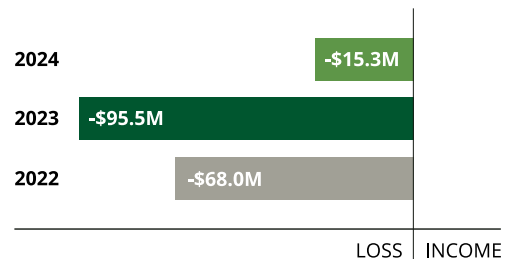
With a solid foundation built over the past 127 years, we are committed to continuing to provide financial security for the benefit of our members and agents.



Total Assets

Total assets is a measure of an insurance company's resources that provide future benefits.

In 2024, our total assets **grew by 0.4%**, reaching **\$875.8 million** by year-end. The positive investment market and our conservative long-term investment strategy helped us navigate market volatilities successfully.



Net Income

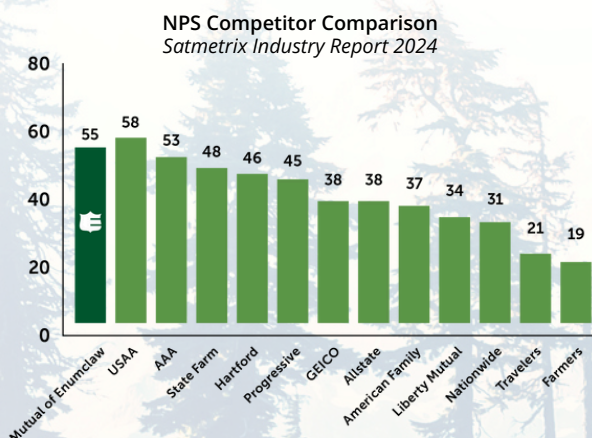
Net income measures a company's overall profitability from claims handling, day-to-day operations, investment returns, and federal income taxes.

Catastrophe losses, inflationary pressures, and loss reserve strengthening resulted in a **net loss of \$15.3 million** for the year. As your mutual insurance company, we stood by you when you needed us most, and we are committed to returning to financial excellence.

Recognition & Ratings

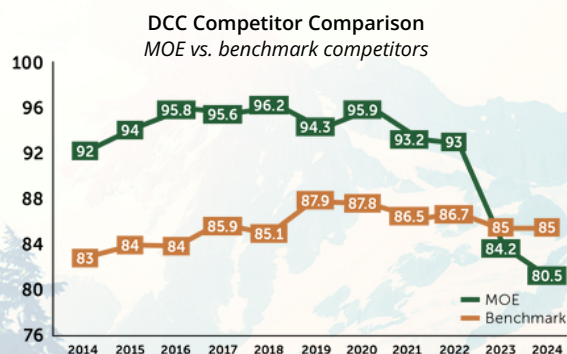
Net Promoter Score (NPS)

Measures how likely our members are to recommend us to friends and family.



Deep Customer Connections (DCC)

Measures how easy our independent agents believe it is to do business with us.



Hear from Our Members

"I've always worked with independent agents, and then a few years ago, when moving to Seattle . . . I signed up with a direct [insurance carrier]. The premium was lower, but after a few years, my premium more than doubled [with] no follow up from the company.

So I decided to change, and found a recommended independent agent who said Mutual of Enumclaw would match my needs, and it has.

Good local company that really pays attention to having excellent policies, competitive premium, and top-notch service."

"Mutual of Enumclaw is a forward thinking, reasonably priced, and client-centered insurance company. I am very impressed with the clarity of their thinking and their care towards their constituents."

"Mutual of Enumclaw is hands down the best insurance company I've ever worked with! Their customer service is truly five-star—every interaction is met with professionalism, warmth, and a genuine willingness to help.

They go above and beyond to make sure every question is answered and every concern is addressed promptly and efficiently. . . . Whether I need assistance with a claim or just have a general inquiry, their team is always ready, happy, and eager to assist."



A- (Excellent)



Demotech, Inc.

A' (A Prime)
Unsurpassed



Rated by employees as
one of Washington's best
companies to work for,
13 years in a row



2024

Elite Carrier

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Jerel Titus

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mutualofenumclaw.com

**The home office of Mutual of Enumclaw Insurance Company and
Enumclaw Property & Casualty Insurance Company is located at 1460
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