

experienced  
innovative  
dependable  
relationship-driven  
supportive  
reputable  
solid  
flexible  
caring  
partnership  
consistent  
strong  
committed  
accountable

regional  
ethical  
professional  
technology-focused  
growing  
local  
capable  
Since 1919  
secure  
accessible  
resilient  
reliable  
steady  
helpful  
knowledgeable  
responsive  
focused  
reliable

**Stability**

**trusted**

**strong**

**reliable**

# CEO's Message

A message from Robert B. Brandon, chief executive officer

## The Long Christmas Dinner

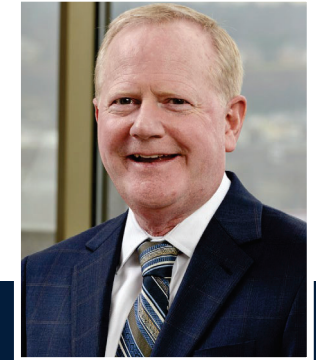
A wonderful column appeared in the New York Times on Christmas morning encouraging families to read “The Long Christmas Dinner,” a one-act play by Thornton Wilder.

The columnist summarized the plot:

*“In the course of a single, unbroken Christmas dinner—90 years of a family’s history fly by. Older characters carry the past, with its lessons and regrets, while youngsters carry the future, with all its hopes and unanswered questions. All family members are bound by the traditions that endure through the trivialities of the present.”*

Wilder’s play examines concepts of family and the passage of time, but it also offers insights for businesses like Penn National Insurance. Our organization evolves with time, respecting and building on the contributions of previous generations while also embracing innovative ideas and talent of the emerging generations.

Over the past three years, one hundred team members representing 13% of our workforce have retired, taking with them invaluable experience and institutional knowledge. We are deeply grateful for their contributions, which have been instrumental to our company’s culture and success. At the same time, we have welcomed new colleagues whose skills and energy are driving us forward.



This ongoing renewal ensures that our organization remains vibrant, resilient, and ready for the future.

In Wilder’s play, several family members across the decades proclaim, “It’ll all be the same in one-hundred years.” But as we know, this is not true.

In life, and in business, while some things remain constant, eventually many will change.

Throughout our 106 years, we have continually evolved and made significant advancements. Today, the pace of change is faster than ever, and we know our business will look quite different in just a few years, let alone in a century. As Jeff Bezos, the founder of Amazon has noted, the crucial question is not about what will change, but rather about understanding what will stay the same—because that is where you can build a successful strategy.



Penn National Insurance retiree holiday party

## What **endures** at Penn National Insurance

As we navigate industry shifts and challenges—artificial intelligence, the rise of national agencies, geopolitical uncertainty, evolving regulations, and extreme weather—our strategy is built on principles that have stood the test of time:

### **Relationship-driven business model**

We take the long-term view, working collaboratively to find solutions and build trust. Our mutual company structure allows us to prioritize stability and partnership over short-term gains.

### **Commitment to policyholders**

Our purpose is to make life better for those we serve, providing peace of mind and delivering on the insurance promise. We are proud of our reputation for excellent claims service.

### **Sound underwriting and pricing**

We adhere to sustainable practices and strive for consistency in our approach.

### **Rigorous risk management**

We seek opportunities while protecting against perilous risks, guided by robust enterprise protocols.

### **Empowered team culture**

We value, respect, and empower everyone on our team. Maintaining a healthy workplace culture is our top priority.



**We build enduring relationships with policyholders, agents and team members by serving their long-term best interests.**

# endurance

## 2025 Highlights

This year, we achieved significant milestones that reflect our commitment to excellence and innovation:

**Financial Strength:** Strong Homeowners and Personal Auto Line results improved underwriting performance. Commercial premium growth remains strong, and our investment income continued to exceed expectations.



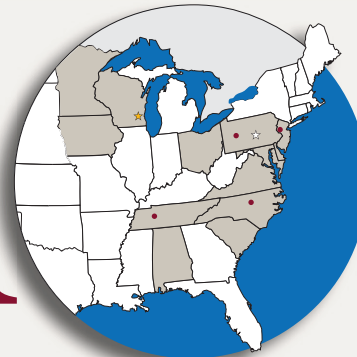
*Harrisburg Regional Chamber VIBE event*



*Brian Battaglia (right),  
Duncan Financial Services, Canfield, Ohio*

**Automation and Efficiency:** Our Personal Lines Automation System modernization project has kicked off and is progressing well. Agents can now quote and issue Dwelling Fire policies in Pennsylvania, with expansion to all states, and Homeowners policies on the horizon.

**Ratings and Records:** We maintained our “A” rating from A.M. Best and achieved new highs in both premiums and surplus.



*Members of the executive team at the Harrisburg Town Hall meeting*

**Geographic Expansion:** We now write business in 13 states, with Ohio added for commercial lines in 2025—unlocking new growth opportunities.

*ACNB 50 Years of Partnership Celebration*



## 2025 Highlights continued

**Innovation:** Led by our cross-functional, enterprise-wide Innovation Advocacy Team, we identified and began implementing actionable opportunities to improve processes, deliver efficiencies, and enhance customer experience.

**Claims Excellence:** Our Claims Division was honored with the Ward's Claims Customer Experience Superior Rating for Personal Lines for the sixth consecutive year, a testament to our unwavering commitment to service.

**Community Support:** We continued to “make life better” for our communities through financial contributions, but also by encouraging and supporting our employees who give their time, talents, and money generously across our footprint.



Claims Team Reception

United Way Day of Caring



Supporting the Central PA Food Bank



Alycia Geary (left) named to the YWCA's Tribute to Women of Excellence Class of 2025



Over the Edge—a rappelling event at Market Square Plaza benefited Big Brothers Big Sisters of South-Central PA



# support

## Looking Ahead

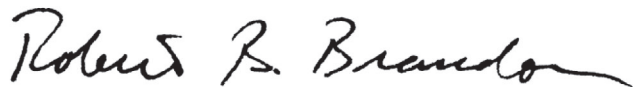
Sharing a seat at the table for more than 30 years with colleagues that care deeply about Penn National Insurance and its mission of making life better has been incredibly rewarding.

As I step away in July 2026, it is now time for a new generation, led by John Foster, to guide our company into the future.

We have a solid financial foundation, experienced management, enthusiastic employees, and a well-defined strategy and culture. While we will always prioritize our lasting values and principles, I remain confident that Penn National Insurance will continue to adapt, innovate and evolve to deliver exceptional value to all our stakeholders.

Thank you to our board of directors, team members, independent agents and policyholders for your dedication, partnership, and trust.

We will continue to uphold our tradition of excellence, both now and for future generations.



Bob Brandon  
CEO, Penn National Insurance



*Bob Brandon and employees at Harrisburg Senators game*

# confidence

# President's Message

A message from John Foster, president

## Honoring Our **Success**

Warren Buffet once said, *"someone is sitting in the shade today because someone else planted a tree a long time ago."* Similarly, Penn National Insurance is strong today because of a long line of visionary leaders like Bob Brandon.

Like his predecessors, Bob has taken a long-term view when guiding our business. This includes creating a culture that values our employees and identifies and invests in those who can assume leadership roles. As a result, I have the luxury of working with a formidable team that will ensure a smooth transition in the year ahead.

On a personal note, I am thankful to Bob for his mentorship and am honored by the trust he and the rest of our board placed in me to lead this organization.



### **Winning the Future by Embracing Change**

Our 2025 results demonstrate that our business is performing well and is financially strong. But our industry and the broader business environment continue to evolve quickly. To remain successful, we must stay flexible, embrace change, and continuously look for ways to improve.

As I begin my tenure, I am spending time meeting with employees across the company at a variety of levels as well as with key agency partners to hear their ideas on what we can do better.

In 2026, as part of our regular three-year cycle, we will develop a new strategic plan, and the perspectives and insights of employees and agents will help shape the next phase of our growth.

### **Proven Values Guide Our Actions**

While we must adapt and grow, rest assured the bedrock principles that have guided us for more than 100 years will remain constant. We will continue to:

- value the contributions of our employees, and support their careers and professional development.
- honor our mutual structure by putting the needs of our policyholders first—particularly when they need us most.
- build enduring relationships with our independent agents to drive profitable growth for both us and our more than 1,200 agencies.

### **Moving Forward Together**

I am optimistic about what lies ahead for our company and excited to begin this next chapter in our proud history. I am grateful for Bob's steady leadership, the dedication of our employees and the support of our independent agents.

Over the past five years, together we have navigated the challenges of the pandemic, achieved the A.M. Best rating of A, surpassed \$1 billion in annual Direct Premiums, and reached a record high surplus. Moving forward, we will build on our legacy by planting the trees that will provide the shade that makes life better for future generations.

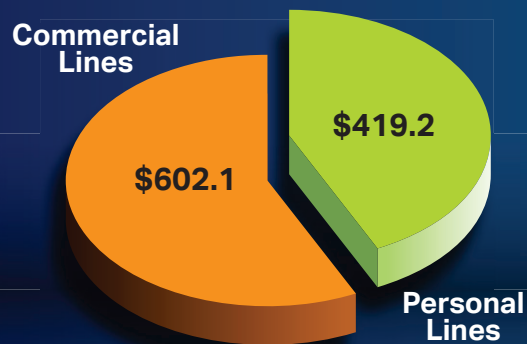
John Foster  
President, Penn National Insurance

# 2025 Financials At A Glance

## Direct Premiums Written (in millions)

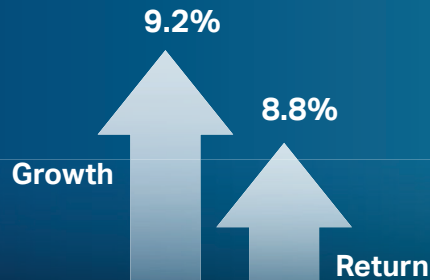
Total Direct Premiums Written

**\$1,021.3**



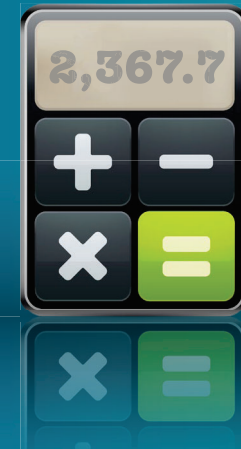
## Policyholder Surplus (in millions)

**\$930.2**



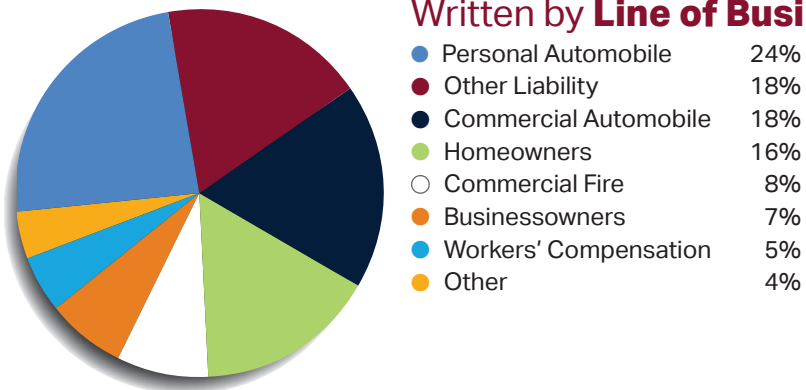
## Total Admitted Assets (in millions)

**\$2,367.7**

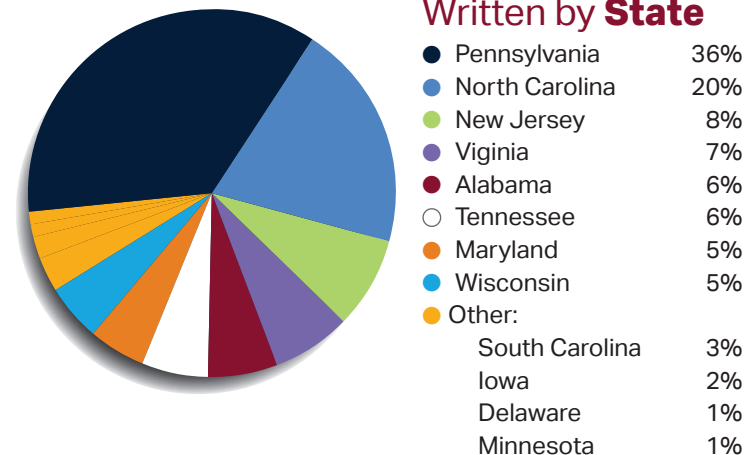


## Consolidated Lines of Business

### Written by Line of Business



### Written by State

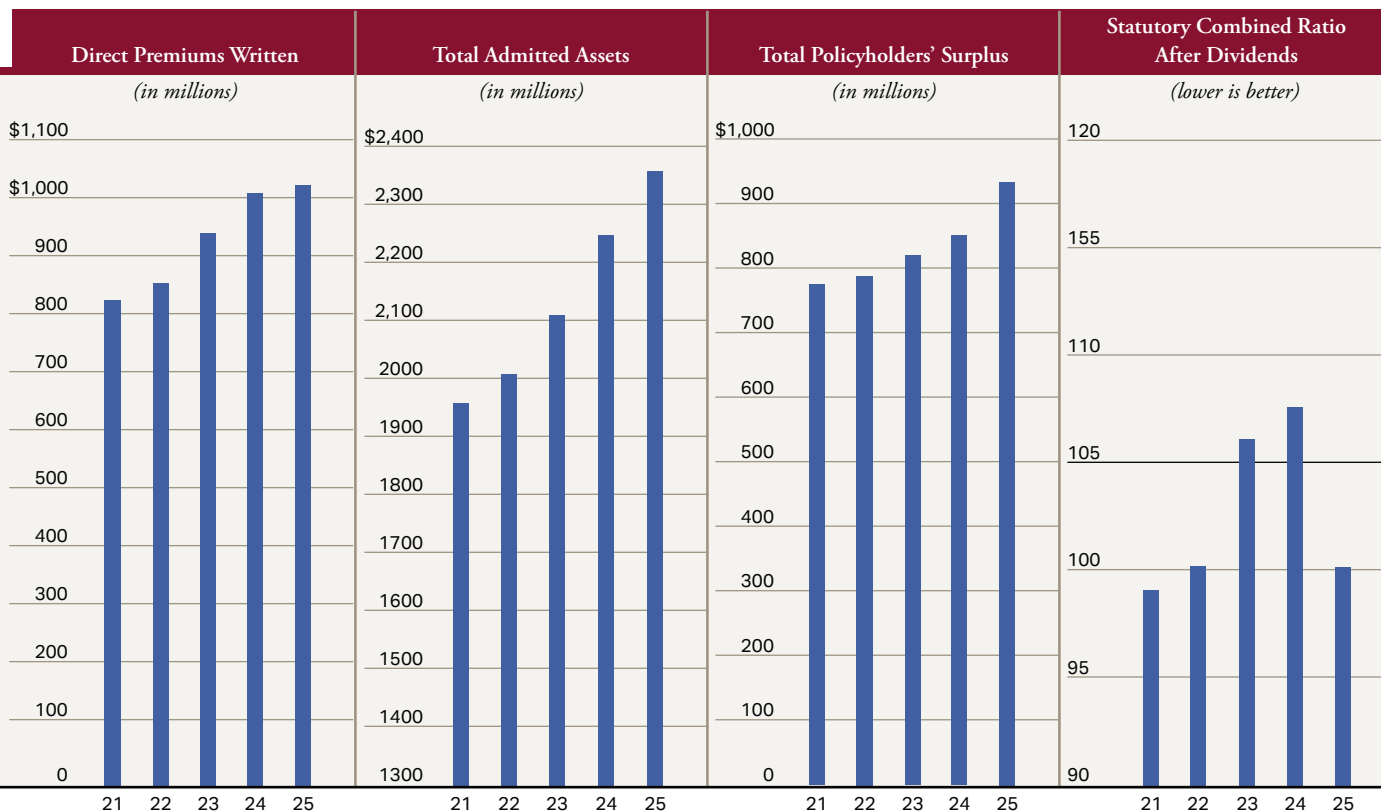


# 2025

## Combined Statutory Financial Statements

(unaudited)

(Dollars in thousands)	2025	2024	2023	2022	2021
Direct premiums written	<b>\$1,021,309</b>	\$1,011,176	\$ 942,303	\$ 851,118	\$ 817,374
Net premiums written	<b>962,428</b>	949,765	881,753	806,051	771,248
Net premiums earned	<b>952,988</b>	917,450	842,034	786,773	761,765
Investment income, including realized gains	<b>92,012</b>	72,938	58,466	48,506	52,737
Net income (loss)	<b>63,354</b>	(7,168)	(8,457)	30,265	43,917
Total cash and investments	<b>\$2,017,153</b>	\$1,909,079	\$1,793,145	\$1,723,331	\$1,707,268
Total admitted assets	<b>2,367,746</b>	2,241,180	2,105,496	2,001,811	1,957,778
Total policyholders' surplus	<b>930,195</b>	851,531	824,281	798,116	788,506
Combined ratio after dividends	<b>100.6</b>	107.7	106.8	100.4	99.8



**Combined Statutory Balance Sheets (Unaudited)**

# 2025

## Combined Statutory Financial Statements

(unaudited)

Years Ended December 31, (dollars in thousands)	2025	2024
<b>Admitted Assets</b>		
Total invested assets:		
Bonds	\$1,619,479	\$1,546,043
Common and preferred stocks	296,927	272,349
Real estate	23,142	21,254
Other invested assets and securities receivable	1,793	1,395
Cash, cash equivalents and short-term investments	75,812	68,038
Total cash, cash equivalents and invested assets	2,017,153	1,909,079
Premium in course of collection	281,573	277,029
Investment income due and accrued	12,000	11,594
Amounts recoverable from reinsurers	28,341	14,024
Federal income tax recoverable	3,358	10,024
Deferred tax asset, net	9,430	8,155
Other assets	15,891	11,275
Total admitted assets	\$2,367,746	\$2,241,180
<b>Liabilities</b>		
Loss and Loss expense reserves, net	\$ 876,755	\$ 839,955
Unearned premiums, net	459,748	450,308
Accrued taxes, licenses, and fees	32,034	24,413
Other liabilities	69,014	74,973
Total liabilities	1,437,551	1,389,649
<b>Policyholders' Surplus</b>		
Surplus notes	29,500	29,500
Special surplus	1,000	1,000
Unassigned surplus	899,695	821,031
Total policyholders' surplus	930,195	851,531
Total liabilities and policyholders' surplus	\$2,367,746	\$2,241,180

# 2025

## Combined Statutory Financial Statements

(unaudited)

### Combined Statutory Statements of Income (Loss) (Unaudited)

Years Ended December 31, (dollars in thousands)	2025	2024
<b>Underwriting income:</b>		
Net premiums written	<b>\$962,428</b>	\$949,765
Increase in unearned premiums	<b>(9,440)</b>	(32,315)
Net premiums earned	<b>952,988</b>	917,450
<b>Losses and loss adjustment expenses incurred, net</b>		
Underwriting expenses	<b>310,325</b>	301,809
Total losses and expenses	<b>956,955</b>	994,714
Total underwriting loss	<b>(3,967)</b>	(77,264)
<b>Investment income:</b>		
Net investment income	<b>72,391</b>	65,173
Net realized gains on investments	<b>19,621</b>	7,765
Total investment income	<b>92,012</b>	72,938
Other (expense) income, net	<b>(239)</b>	1,293
Pretax income (loss) before dividends	<b>87,806</b>	(3,033)
Dividends to policyholders	<b>5,479</b>	3,706
Pretax income (loss)	<b>82,327</b>	(6,739)
Federal income tax expense	<b>18,973</b>	429
Net income (loss)	<b>\$ 63,354</b>	\$ (7,168)

### Combined Statutory Operating Statistics (Unaudited)

Years Ended December 31, (dollars in thousands)	2025	2024
Net losses incurred to net premiums earned	<b>58.8</b>	65.0
Net loss adjustment expenses to net premiums earned	<b>9.0</b>	10.5
Loss and loss adjustment expense ratio	<b>67.8</b>	75.5
Underwriting expenses incurred to net premiums written	<b>32.2</b>	31.8
Dividends to net premiums earned	<b>0.6</b>	0.4
Combined ratio after dividends	<b>100.6</b>	107.7
Net premiums written to surplus ratio	<b>1.0</b>	1.1
Net liabilities to surplus ratio	<b>1.6</b>	1.6
Net leverage ratio	<b>2.6</b>	2.7

# 2025 Facts in Brief



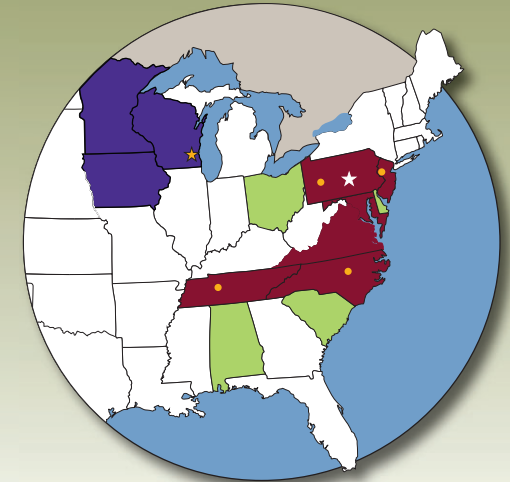
As a mutual insurance company, we focus all of our attention and resources on delivering on our promise of protection to our policyholders.



- We were founded in 1919.
- We employ more than 800 people.
- We sell through more than 1,200 independent agency operations in 13 states.
- Our principal lines of business are Personal Automobile, Other Liability, Commercial Automobile and Homeowners.
- We have received the Ward's Claims Customer Experience Superior Rating for six consecutive years.
- We have a financial strength rating of A (Excellent) from the A.M. Best Company.

service

Financial Strength Rating:  
**A (Excellent)**



- ☆ Penn National Insurance  
Headquarters: Harrisburg, PA
- Personal & Commercial
- Commercial Only
- Partners Mutual Insurance  
An Affiliate of Penn National Insurance  
Personal & Commercial
- ★ Headquarters: Waukesha, WI
- Branch & Claims Offices



Great Place to Work  
*Alycia Geary*  
Enterprise Risk Manager



Making Life Better  
*Employees supporting the community*

Click the photos to see what our employees are saying about Penn National Insurance.

## Our Mission

We help people feel secure and make life better when bad things happen.

Click the photo to see what our employees are saying about our Ground Rules.



Jenn Matlock  
Director, Financial Reporting

## Our Ground Rules

Our ground rules guide us to ensure that we are not just doing well, but also doing good for all those we serve.



## Our Vision

We build enduring relationships with policyholders, agents and team members by serving their long-term best interests.

## Our Culture

Every decision we make, every interaction we have, is an opportunity to live our values, fulfill our vision and achieve our mission. We believe in doing the right thing, treating everyone with dignity, being open in our actions and making a positive impact on society.

## Our Core Values

We exhibit integrity, respect, transparency and social responsibility in all that we do.

### Integrity

We behave ethically, guided by a strong understanding of right and wrong.

### Respect

We treat everyone fairly, promote diversity and inclusiveness and foster a sense of belonging.

### Transparency

We openly and honestly share our successes and shortcomings.

### Social Responsibility

We are committed to strengthening our communities by volunteering our time and financial support.

# Executive Team as of 12/31/25



**Karen C. Yarrish, Esq.**  
senior vice president,  
secretary &  
general counsel

**John V. Foster**  
senior vice president,  
Insurance Operations

**Robert B. Brandon,**  
**CPCU**  
president & CEO

**Kelly C. Miller**  
vice president,  
Human Resources

**Jacquelyn M. Anderson,**  
**CPCU, CPA**  
senior vice president,  
CFO & treasurer

**Mike Watts**  
chief information officer

## Leadership Council

**John Buchenauer**, CPCU  
vice president, Personal Lines Division

**Tracy Fleager**, MS, CPCU, ARe  
vice president, Corporate Risk

**Randal Mancini**, CPCU, ARM, ARe, AIS  
vice president, Field Operations

**Nicole Noel**, MBA, CPCU, AU, ARe  
vice president, Commercial Lines Division

**Chad Ott**, ACAS, MAAA  
vice president, Actuarial

**Adam Parsons**, Esq., CPCU  
vice president, Claims Division

**Andrew Potalivo**, MS, CPCU,  
ARM, AIAF, CRIS, AU  
vice president, Distribution

**Robert Potter**, CPCU, AIAF, ARe, ARC  
vice president, Finance

**Scott Sloat**  
vice president, Corporate Communications

## Regional & Business Line Vice Presidents

**Tyler Adams**  
vice president, Surety

**Jeff Blatherwick**, MBA, CPCU, CIC  
regional vice president, Harrisburg

**Jonathan Dillon**  
regional vice president, Greensboro

**Bill Emerick**, CPCU, CIC, ARM  
regional vice president, Nashville

**Mark Fitzgerald**  
vice president, Surety

**Richard Keith**  
regional vice president, Pittsburgh

**Donald McAuliffe, Jr.**, CPCU, AIC  
regional vice president, Central Atlantic

## Claims Office Managers

**Neil French**, CPCU, CIC, AIM, AIS, SCLA  
claims manager, Pittsburgh & Waukesha

**Gary Gibson**, CPCU, AIC, AIM,  
AIS, SCLA  
claims manager, liability,  
North Carolina, Tennessee & Alabama

**Heather Norris**, CPCU, AIC,  
AIM, AIS, SCLA  
claims manager,  
Harrisburg & Central Atlantic

**Mark Romah**, INS, AIC, SCLA  
claims manager,  
Harrisburg & Central Atlantic

**Nicole Sherrill**, CPCU, CIC, SCLA,  
AIS, AIM, API, AIC, AINS  
director, Auto Claims Management

## Partners Mutual Insurance

**David Zeller**, CPCU, AU  
president

**Mark Ewert**, CPCU, CIC  
executive vice president & secretary

## Inservco

**Staci Ulp**, AIC  
president & CEO





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[PennNationalInsurance.com](http://PennNationalInsurance.com)