

#### **President's Letter**



As a mutual insurance company, we exist solely to serve you—our policyholders. That mission requires not only delivering outstanding service but also ensuring the financial security and stability that you depend on, especially when the unexpected occurs.

In 2024, the insurance landscape reminded us just how important sound financial footing is. We witnessed a growing national trend of multimillion-dollar claims filed against Defense Counsel. This area of exposure is expanding across the country, creating challenges for insurers. When volatility strikes, the strength of a company's financial foundation and its ability to withstand emerging risks become more important than ever.

We are proud to report that our company remains exceptionally well-positioned to meet those challenges. We maintain a disciplined financial strategy, supported by conservative reserves and strong surplus levels. Demotech has rated The Bar Plan since 2012 and has consistently assigned an "A" "Exceptional" rating based on a strong balance sheet, key financial indicators, and demonstrable financial stability. Just as importantly, we partner exclusively with highly rated reinsurers—recognized leaders in financial security worldwide—so that our promises to you are further backed by organizations with the strength to weather any storm.

Insurance is about peace of mind. In times of stability, these safeguards may not draw much attention. But in times of volatility, they are what ensure we can stand firmly beside you when claims are filed, when the risks grow, and when the stakes are highest.

On behalf of our Board of Directors, leadership team, and employees, thank you for your continued trust. Together, we will remain vigilant, prepared, and resilient in fulfilling our mutual mission: protecting your security today and tomorrow.

Karen R. McCarthy
President & CEO

#### **Financials**

# Statutory Statements of Admitted Assets, Liabilities & Surplus

(Dollars in thousands)	(Decem	(December 31)	
	2024	2023	
Admitted Assets	'		
Bonds	20,400	20,019	
Common Stocks	10,740	10,759	
Cash & short-term investments	1,729	1,774	
Total cash and invested assets	32,869	32,552	
Receivables:			
Premium receivable	1,399	1,843	
Reinsurance recoverable on paid losses	571	62	
Accrued investment income	119	108	
Receivable from subsidiaries	85	57	
Other Assets:			
Deferred tax asset, net	501	604	
Electronic data processing equipment	33	82	
Other assets	72	123	
Total Admitted Assets	35,649	35,431	
Liabilities			
Reserve for losses	7,975	7,726	
Reserve for loss adjustment expenses	5,009	5,490	
Reinsurance payable on paid losses and loss adjustment expenses	1	4	
Commissions payable	28	26	
Accrued expenses	231	202	
Taxes, licenses, and fees	(4)	27	
Unearned premiums	4,215	4,623	
Advanced premiums	707	404	
Accounts withheld by company for accounts of others	644	527	
Ceded reinsurance premiums payable	945	933	
Funds held by company under reinsurance treaties	257	-	
Unclaimed funds	13	16	
Lease Liability	-	41	
Total Liabilities	20,021	20,019	
Surplus			
Surplus note	5,019	5,021	
Unassigned funds	10,609	10,391	
Total Surplus	15,628	15,412	

#### **Financials**

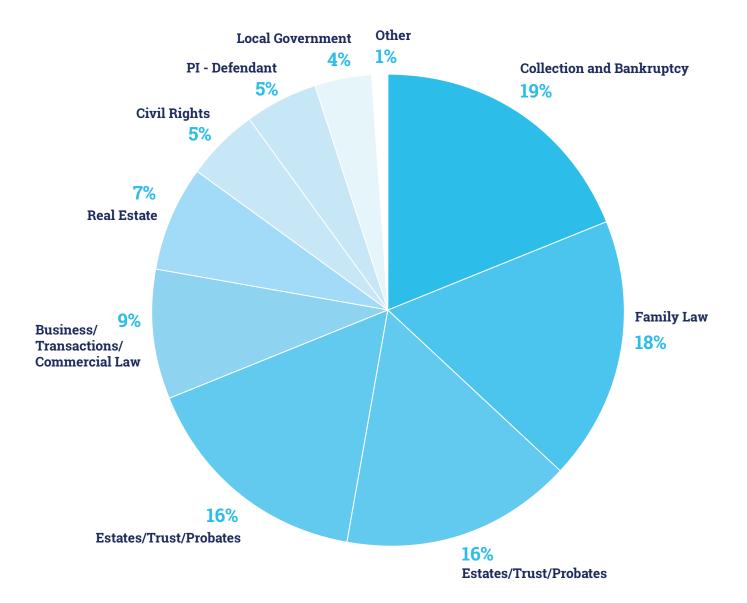
# Statutory Statements of Operations & Changes in Surplus

(Dollars in thousands)	(December 31)	
	2024	2023
Statement of Operations		
Net premiums earned	8,368	9,049
Losses incurred	2,501	2,472
Loss adjustment expense incurred	2,525	1,962
Other underwriting expense incurred	4,604	4,796
Net underwriting gain (loss)	(1,262)	(181)
Investment income, net of investment expenses	136	84
Net realized capital gain (loss) on investments, net of federal income tax of \$0 for 2024 and 2023, respectively	866	(57)
Net Investment Income	1,002	27
Other income, net	151	184
Income (loss) before federal income taxes	(109)	30
Federal income tax expense (benefit)	-	

Changes in Surplus			
Net Income (Loss)	(109)	30	
Net increase (decrease) in non-admitted assets	557	70	
Change in net unrealized capital gains (losses), net of tax	7	761	
Change in net deferred income tax	(239)	107	
Change in surplus	216	968	
Surplus, beginning of year	15,412	14,444	
Surplus, end of year	15,628	15,412	

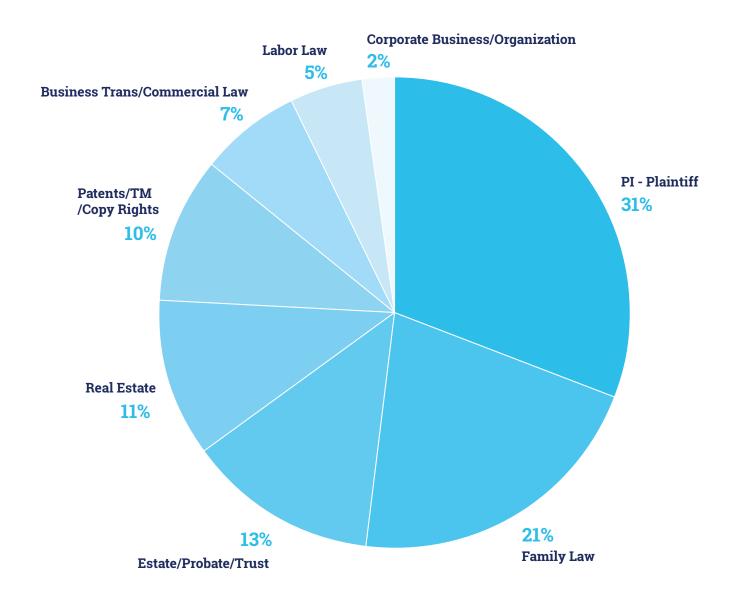
### **Claims Frequency**

# Claims Reported 1/1/24 - 12/31/24



# **Claims Severity**

# Claims Closed with Payment 1/1/24 - 12/31/24



# BAR PLAN®

WE HELP LAWYERS BUILD A BETTER PRACTICE.