THE BAR PLAN®

2025 Annual Report

www.thebarplan.com

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> "Stability today creates confidence for tomorrow. Our disciplined approach continues to deliver results for the attorneys we serve."

Karen R. McCarthy, President & CEO

To Our Policyholders, Business Partners and Colleagues

I am pleased to report that 2025 was another year of measured progress for The Bar Plan. Our statutory surplus grew to $16.8 million, reflecting the strength of our reserves, the discipline of our underwriting philosophy, and our continued commitment to long-term financial stability.

In an insurance marketplace that continues to experience volatility and changing risk dynamics, The Bar Plan remains a steady and dependable partner for the legal profession. Attorneys rely on us not only for insurance and court bonds, but for the confidence that comes from knowing their carrier is focused exclusively on serving their unique needs. Our focus and commitment has never wavered.

As we continue to innovate and streamline our processes, our policyholders and bonds customers can rely on responsive service and attorney-focused expertise that have defined our organization since its founding. We recognize the important role attorneys play in serving their clients and communities, and we remain deeply committed to supporting the legal profession through every stage of practice.

Our claims team is committed to early intervention and strong defense, resolving matters efficiently while protecting policyholder interests. At the same time, our risk management, educational, and outreach efforts continue to provide attorneys with practical resources designed to strengthen their practices and help prevent claims before they occur.

As we look ahead to 2026, we are especially mindful of an important milestone in our history. The Bar Plan will celebrate 40 years of service to the legal profession—a testament to the trust of our policyholders, the dedication of our employees, and the enduring strength of our mission. We look forward to reflecting on that legacy while continuing to build for the future.

As always, we remain committed to providing reliable coverage, exceptional service, practical education, trusted guidance, and the confidence that comes from knowing your insurer is built to last.

With gratitude,

Karen R. McCarthy

Executive Dashboard

2025 results reflect strong surplus growth and improved net results. All amounts shown in thousands.

TOTAL ASSETS

$34.1M

POLICYHOLDER SURPLUS

$16.8M

DIRECT PREMIUM WRITTEN
LPL AND BONDS

$12.9M

NET INCOME

$901K

"Attorneys are entrusted with protecting the interests of their clients every day. At The Bar Plan, we embrace the responsibility of protecting the attorneys who serve our communities and uphold the rule of law."

Patrick O'Leary, Executive Vice President & General Counsel

A Steady Presence in a Dynamic Market

The legal profession is built on trust, consistency, and long-term relationships—and attorneys deserve the same from their insurance partner. As the lawyers' professional liability marketplace has experienced carrier withdrawals, evolving underwriting philosophies, partnership changes, and significant policy shifts, many firms have faced uncertainty in an already complex environment.

Throughout these changes, The Bar Plan has remained focused on what matters most: serving attorneys. Our commitment extends beyond insurance policies and is reflected in the relationships we build, the service we provide, and the resources we deliver to support the success of the legal community. By maintaining a consistent presence in the markets we serve and staying true to our mission, we continue to provide the stability, responsiveness, and confidence our policyholders have come to expect.

As the industry continues to evolve, The Bar Plan remains well-positioned for the future—grounded in financial strength, dedicated to exceptional service, and committed to the attorneys who place their trust in us every day.

"The courthouse columns, standing as they have for generations, reflect the strength, perseverance, and permanence that define the legal profession. Those same qualities define The Bar Plan as we continue building a stable foundation for future growth while remaining firmly committed to the attorneys we serve."

Chasity Thebeau, Director of Sales & Marketing

Admitted Assets, Liabilities & Surplus

Dollars in thousands | December 31

ADMITTED ASSETS	2025	2024
Bonds	19,193	20,400
Common stocks	10,624	10,740
Cash & short-term investments	2,073	1,729
Total Cash & Invested Assets	**31,890**	**32,869**
Premium receivable	1,442	1,399
Reinsurance recoverable on paid losses	81	571
Accrued investment income	128	119
Receivable from subsidiaries	129	85
Deferred tax asset, net	340	501
Electronic data processing equipment	27	33
Other assets	57	72
Total Admitted Assets	**34,094**	**35,649**

LIABILITIES & SURPLUS	2025	2024
Total Liabilities	17,321	20,021
Surplus note	5,018	5,019
Unassigned funds	11,755	10,609
Total Surplus	16,773	15,628
Total Liabilities & Surplus	**34,094**	**35,649**

Operations Summary

Dollars in thousands | December 31

OPERATIONS	2025	2024
Net premiums earned	**7,515**	**8,368**
Losses incurred	511	2,501
Loss adjustment expense incurred	2,590	2,525
Other underwriting expense incurred	4,884	4,604
Net underwriting gain (loss)	**(470)**	**(1,262)**
INVESTMENT INCOME		
Investment income, net of investment expenses	249	136
Net realized capital gain (loss), net of federal income tax	970	866
Net investment income	**1,219**	**1,002**
Other income, net	152	151
Income (loss) before federal income taxes	901	(109)
Federal income tax expense (benefit)	-	-
Net income (loss)	**901**	**(109)**

"Stability is one of the most valuable promises an insurance company can make. Through disciplined financial management and a commitment to long-term stewardship, we continue to strengthen that promise for our policyholders."

Tina Daniels, Chief Financial Officer

LPL Underwriting

Client-Focused | Streamlined | Growth

2025 was marked by improved efficiency, strong client loyalty, and strategic growth achieved by increased new business production and strong retention. Our underwriting approach is grounded in understanding prospective risk, and offering the best possible rate for the risk presented. In order to achieve this, we closely monitor developments in the practice of law and the emerging risks that come along with this evolution. We then focus on understanding each firm's unique practice and risk profile, and providing an exceptional customer experience.

Customer feedback is important to us to ensure that we are meeting customer needs and expectations. It validates what is working well and drives positive change. We thank all of you who have provided your thoughts and ideas, and we invite you to stay engaged with us.

"In 2025, the Underwriting Department remained focused on thoughtful and efficient underwriting that delivers value to our clients and positions the Company for continued long-term success."

Christina Lewis Abate, Vice President of Underwriting

KEY LPL METRICS

$11.0M	70%	Missouri, Kansas, Indiana, New Mexico, Tennessee
Direct Written Premium	New Business Growth	Protecting Lawyers in 5 States

Claims Management

Early Intervention | Strong Defense | Reliability

In 2025, our Claims Department continued to focus on delivering exceptional service and support during some of the most challenging moments our policyholders face. Guided by the principle that helping lawyers is more than a tagline—it is the foundation of our mission, each claim was handled with care, responsiveness, and a commitment to strengthening trust within the legal community.

From a performance standpoint, 74% of all LPL claims were closed without any indemnity payment, reflecting strong outcomes for our insureds. For those claims involving indemnity, the average indemnity payment was $574,624. The average cost to defend a claim was $63,356.

Together, these results highlight the department's continued dedication to effective claim resolution, cost management, and delivering meaningful value to our policyholders.

> "Helping lawyers is more than a tagline — it is the foundation of our mission. At the center of every claim is a policyholder facing a difficult circumstance. We have the privilege and responsibility of guiding them through every step with exceptional service and expertise."

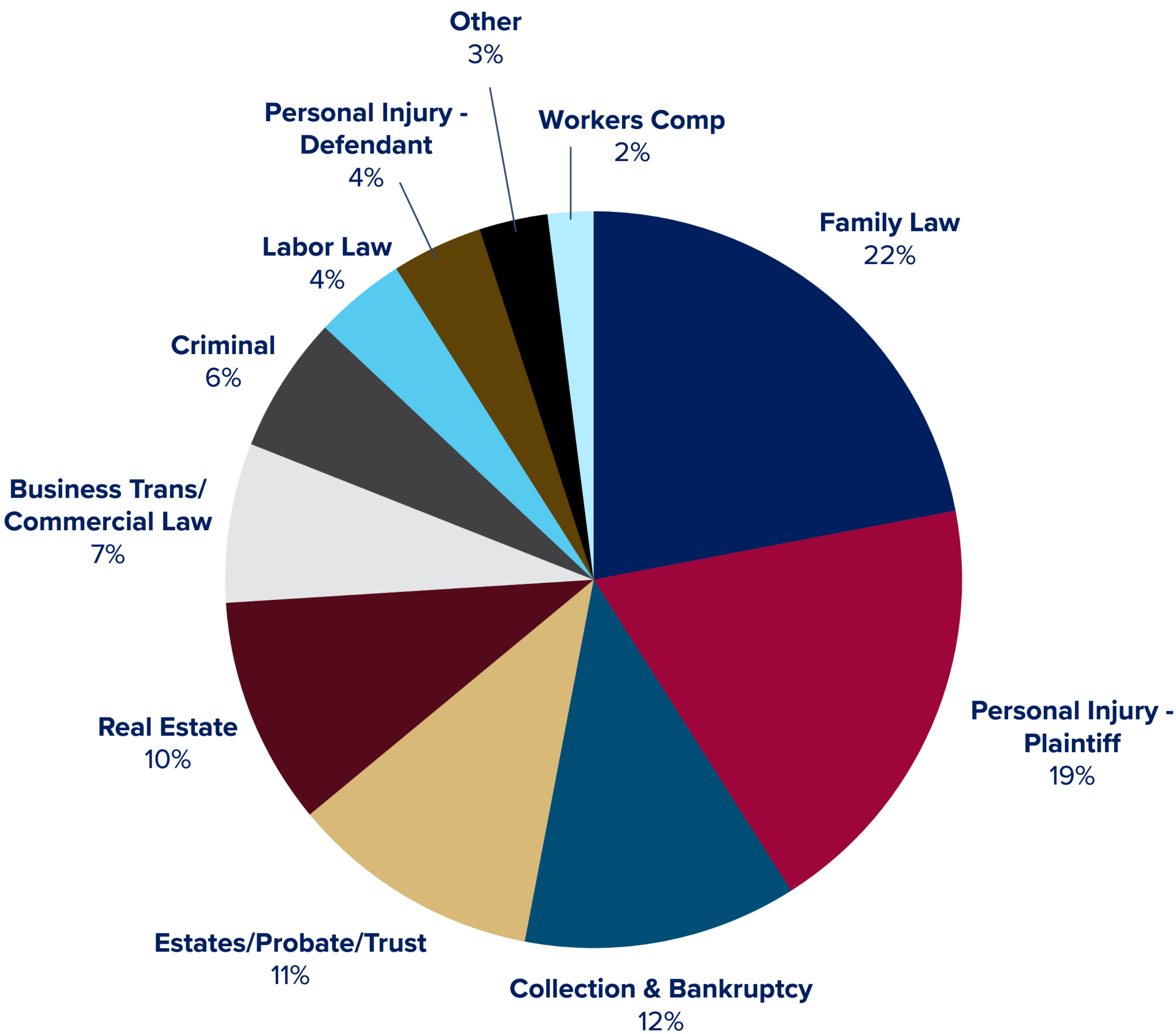
Teresa Neiderwimmer, Vice President of Claims

KEY LPL METRICS

74%	$574,624	$63,356
Closed Without Payment	Average Indemnity Paid	Average Defense Costs

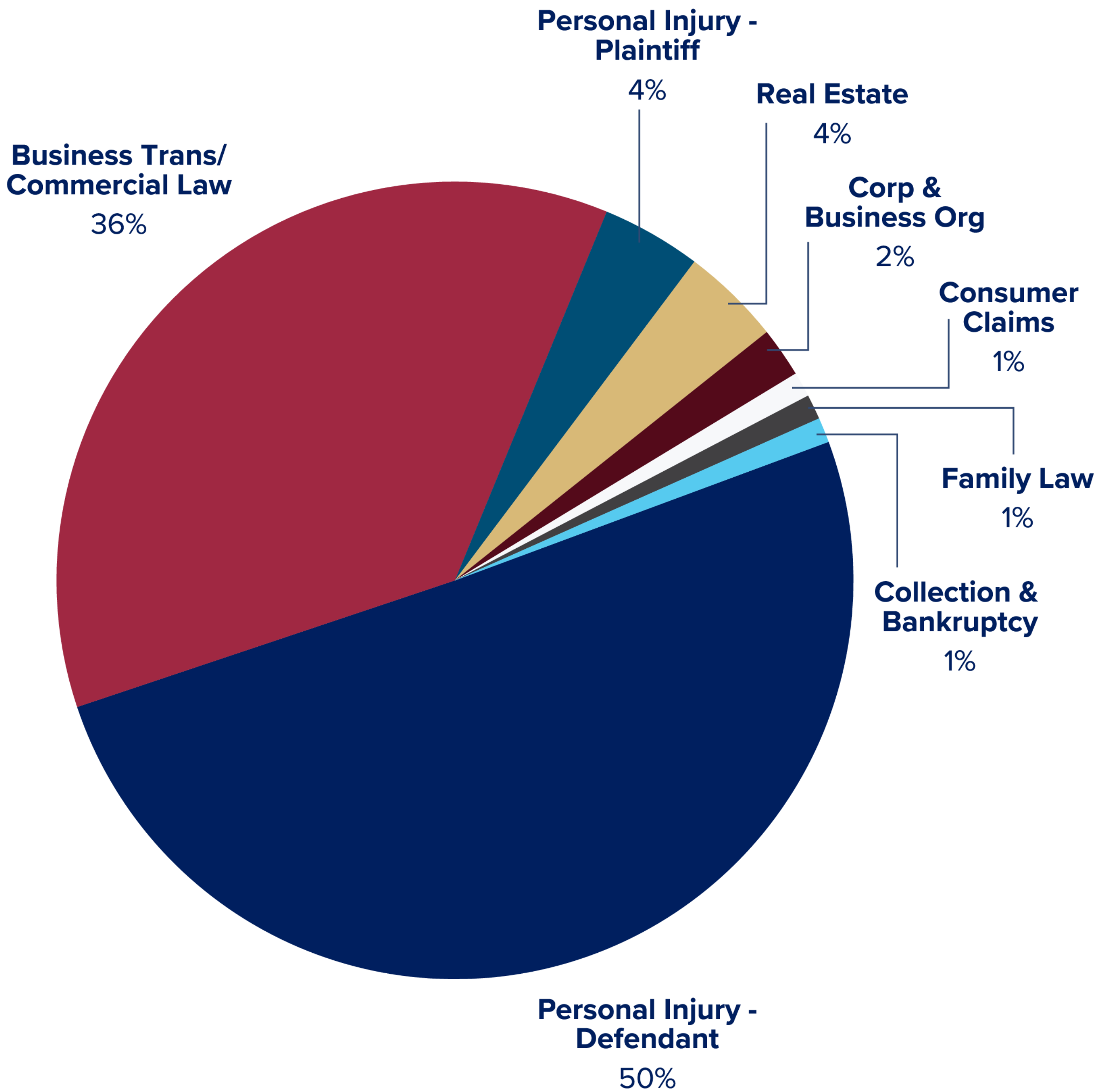
Claims Frequency by Areas of Practice

Claims Reported 1/1/25 - 12/31/25



Claims Severity by Areas of Practice

Claims Closed with Payment 1/1/25 - 12/31/25



Surety Services

Growth | Efficiency | Reliability

In 2025, the Surety team remained focused on delivering “the right bond, the first time,” with 24–48 hour turnaround, personalized service, and a flexible, attorney-focused approach.

Direct Written Premium grew 1.4% year over year, with 1,573 new business bonds issued. Key highlights included a standout month surpassing $100,000 in new business premium, along with implementation of significant upgrades in automation to enhance efficiency and service delivery.

These results reflect the team’s continued commitment to responsiveness, innovation, and reliable surety solutions.

> “Our commitment is simple: the right bond, the first time. With fast 24–48 hour turnaround, personalized service, and a flexible, attorney-focused approach, we help move cases forward with confidence.”

Kimberly Edgar, Vice President of Surety Underwriting

KEY METRICS

$100,000	1.4%	1,573
Record Month NB Premium	Premium Growth YoY	New Business Bonds

Board of Directors

Kent Hyde

Chairman

Ann Hagan

Vice Chairman

John Gunn

Secretary & Treasurer

Karen McCarthy

President & CEO

Robert Buckley

Lauren Collins

Aaron Cooper

Athena Dickson

Sara Neill

WITH GRATITUDE

Brian Kinman

Board Member

Brian Kinman brought decades of leadership experience in accounting, risk management, and corporate governance to The Bar Plan's Board of Directors. Since joining the Board in 2014, he has provided invaluable guidance, insight, and strategic perspective that helped strengthen the organization and support its mission. We thank Brian for his dedicated service and lasting contributions to The Bar Plan and the legal profession.

WELCOME ABOARD

Sara Neill

Board Member

Sara is a highly regarded tax attorney with extensive experience representing individuals, businesses, and professionals in complex civil and criminal tax matters. A respected leader in the legal community, she has served as President of the Bar Association of Metropolitan St. Louis. She is also an adjunct professor at Washington University School of Law, where she helps educate future legal professionals.

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Advancing the Profession for 32 Years

Since 1993, The Bar Plan Foundation has been dedicated to strengthening the legal profession through education, professionalism, risk management, and community engagement.

Over the past 32 years, the Foundation has made a strong impact—supporting 48 nonprofit organizations through fundraising efforts with $234,445 awarded, providing 148 law school scholarships totaling $330,000, and delivering CLEs to over 66,000 attendees since the program's inception. These efforts reflect a deep commitment to the legal community and its future.

Additionally, The Bar Plan's Risk Management Department offers valuable resources to all attorneys in the states where we operate, including a confidential hotline available to all attorneys, and Practice Management Consulting to improve operations, reduce risk, and enhance client service.

Together, these efforts highlight The Bar Plan's ongoing commitment to professionalism, service, and advancing the legal community.

48	$234K	148	$330K
Nonprofits Impacted	Nonprofit Donations	Scholarships Awarded	Scholarship Funds

"At The Bar Plan, we remain committed to supporting attorneys and the legal profession through our proactive risk management resources, meaningful community engagement, and scholarship programs."

Chris Stiegemeyer
Executive Vice President, The Bar Plan Foundation
Director of Risk Management, The Bar Plan Mutual Insurance Company

Thank You

On behalf of our Board of Directors and leadership team, we extend our sincere gratitude to the attorneys, law firms, brokers, and partners who entrusted The Bar Plan with their professional protection throughout 2025. Your confidence in our mission and your continued trust in our organization inspire everything we do.

For nearly four decades, The Bar Plan has remained dedicated to serving the legal profession through financial strength, responsive service, risk management resources, and unwavering support. We are honored to help attorneys navigate an increasingly complex professional landscape and remain committed to protecting the profession that serves our communities every day.

As we look ahead to 2026, we are excited to celebrate The Bar Plan's 40th year of service to the legal profession. This milestone reflects the loyalty of our policyholders, the dedication of our employees, and the support of the legal community.
We look forward to honoring our history, celebrating our shared accomplishments, and continuing to build a strong foundation for the future.

Thank you for being part of The Bar Plan's story. We are proud to serve you today and for many years to come.

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