



May 1, 2025

Notice of Annual Meeting and Proxy Statement of Members ^{The}

- Notice of Annual Meeting and Proxy Statement of Members
- Board of Directors and Officers
- Letter from the Chief Executive Officer
- Financials 2024 and 2023

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To the Members (policyholders) of California Mutual Insurance Company (the Company):

Notice is hereby given that the annual meeting of the members of the Company will be held on:

TUESDAY, MAY 19, 2025

AT 3:00 P.M.

In the Company Office located at:

650 SAN BENITO STREET, STE. 250

HOLLISTER, CA

For the following purposes:

1. Election of one director, and
2. For the transaction of any other business that may properly come before that meeting or any adjournment thereof.

Hollister, California

May 1, 2025

Connie Glosser,

Secretary

ELECTION OF DIRECTORS

The term of office for one directors will expire this year. The candidate nominated for the four-year term expiring in May 2029 is:

JOHN TOBIAS

Mr. Tobias, 70, has owned and operated Tobias Farms since 1976, growing a variety of organic and conventional row crops. Tobias Farms packs and ships organic onions, shallots and winter hard squash under the label, Hummingbird Produce. Tobias Farms also has cherry and apple orchards.

Mr. Tobias was raised on a cattle and dry farming ranch in San Benito County and graduated from Oregon State University with a degree in Business Administration with a concentration in Accounting and minor in Agriculture. John and his wife, Marian, have three grown children

He has been a long-time member of the San Benito County Farm Bureau, served on the 33rd District Agricultural Association (San Benito County Fairgrounds) for 20 years and the San Benito County Water District for 24 years. John has an active interest in the future of agriculture in the community, as he continues to grow his farming business with his two sons.

Mr. Tobias is seeking his fourth election as a director.

OTHER MATTERS

As of this date there are no other matters management intends to present or has reason to believe others will present at the meeting.

2024-2025 Board of Directors

Matt Curley, San Jose
Steve Miller, Payson, AZ
John Tobias, Hollister
Kenneth Bettencourt, Gilroy
Cheri Schmidt, Hollister
Connie Glosser, San Francisco
Don Marcus, Hollister
Ray Borzini, Cave Creek, AZ

2024-2025 Officers

Matt Curley,
Chief Executive Officer

Connie Glosser,
Secretary

Cheri Schmidt,
Chief Financial Officer

CALIFORNIA MUTUAL INSURANCE COMPANY DECEMBER 31, 2023 AND 2022 UNAUDITED (STATUTORY)

BALANCE SHEET	2023	2022
ASSETS		
Cash in Bank	\$ 7,658,496	\$ 4,238,052
Bonds	9,543,972	9,746,173
Stocks	6,499,016	5,420,378
Agents Balances	3,679,902	2,033,226
Reinsurance Recoverable	23,246	331,787
Other Miscellaneous Assets	463,165	359,168
TOTAL ASSETS	\$ 27,867,797	\$ 22,128,784
LIABILITIES AND POLICYHOLDERS' SURPLUS		
Reserve for Losses/Loss Adjustment Expenses	\$ 4,074,482	\$ 2,650,442
Reserve for Unearned Premium	8,351,990	5,486,411
Accrued Expenses	1,164,344	826,332
Deferred Income Tax Liability	91,267	51,469
Current Income Tax Liability	-	-
Reinsurance Payable	826,085	214,317
TOTAL LIABILITIES	14,508,168	9,228,971
POLICYHOLDERS' SURPLUS	13,359,629	12,899,813
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	\$ 27,867,797	\$ 22,128,784
OPERATING RESULTS		
PREMIUMS EARNED	\$ 9,963,737	\$ 7,658,334
DEDUCTIONS		
Losses and Loss Expenses Incurred	6,091,860	4,298,131
Underwriting Expenses Incurred	4,395,564	3,495,585
UNDERWRITING GAIN (LOSS)	(523,687)	(135,382)
NET INVESTMENT INCOME EARNED	141,007	5,791
OTHER INCOME (EXPENSE)	87,584	(4,971)
FEDERAL INCOME TAX EXPENSE	37,898	20,316
NET INCOME	\$ (332,994)	\$ (154,878)
SUMMARY OF SURPLUS		
POLICYHOLDERS' SURPLUS-BEGINNING OF YEAR	\$ 12,899,813	\$ 13,887,579
Net income	(332,994)	(154,878)
Net Unrealized Capital Gains (Losses)	835,827	(1,147,423)
Change in Non-Admitted Assets	(3,217)	432
Change in Net Deferred Income Tax	(39,800)	314,103
POLICYHOLDERS' SURPLUS-END OF YEAR	\$ 13,359,629	\$ 12,899,813

To Our Members

2025 is California Mutual's 105th year serving California families and businesses throughout the state. We were founded in 1920, by a small group of San Benito County residents who banded together to form a mutual insurance company to secure fire insurance for their properties. We have since grown into a statewide mutual insurer providing comprehensive coverages for individuals and businesses. California Mutual provides personal lines coverage for homeowners, rental properties, and supplemental insurance to California Fair Plan insureds. On the commercial side, we offer coverages for apartments, motels, mercantile, office buildings, bed & breakfast inns, shopping malls, light to medium industrial and more. Our products are sold through hundreds of independent agents across the state.

We invite you to visit our website for more information on California Mutual and the services we offer at www.calmutual.com.

Owned by You

It is important to understand that California Mutual is a mutual insurance company. A mutual insurer is owned by its members or policyholders. There are no shareholders, as with a stock company, and we do not make profits that are passed along to shareholders or investors like a stock company. All net income we generate is held in a policyholders surplus fund that is used to pay claims made by policyholders. Because we are not owned by shareholders nor are we driven to make traditional profits, we can offer our members fair and accurate pricing while ensuring the company remains financially secure. As a mutual insurer, we operate with a long-term view to create value and financial stability for our members.

A California Domestic Company

California Mutual is a California domestic company insuring and employing Californians. We know the state well and we insure risks based on individual attributes rather than by zip code. Our Board of Directors, also based in California, is comprised of talented and experienced professionals who make sure the company remains financially stable and able to fulfill the promise we make with every policy we sell.

A.M. Best

California Mutual is rated A- (Excellent) which was affirmed again by A.M. Best Company in 2025. A.M. Best is the leading insurance industry financial rating agency. The rating of A- (Excellent) is assigned to companies that have excellent financial strength, operating performance, and market profile when compared to the firm's established standards.

Continued from Page 3

Financials

In 2024, California Mutual sold and serviced a record number of policies. Our premium grew 18% as the total insured value of all the policies we issued increased by 30%. Our new business increased by 3% while our expense ratio remained flat. We take pride in our growth and our support for our members in the state at a time when many of our competitors have had to completely exit the California insurance market.

In 2024, our Combined Ratio, which represents the percentage of each dollar earned after paying claims and expenses, was 88% for a 5-year average of 95.5%. In 2024, Policyholder Surplus increased by 19%, resulting in a 5-year increase of 23.6%.

Reinsurers Provide Added Strength

We place our reinsurance with reinsurers rated at A (Excellent) or higher by A.M. Best Company. The reinsurance we maintain provides support for catastrophic losses and our reinsurers have financial surpluses in excess of \$10 billion.

Some Services and Value to our Members

- Electronic delivery of documents
- Online services to view your policy, billing, and claims information
- Commercial Policyholders may elect to add optional coverages such as:
 - Employment Practices Liability- responds to claims brought by employees, as well as third party harassment and discrimination, such as ADA
 - Equipment Breakdown
 - Cyber Liability and Data Compromise
- Homeowner policyholders may elect to add:
 - CalAdvantage coverage—includes equipment breakdown, water service line coverage, green home, and increased limits
- Payment options include:
 - Online and telephone payment—credit and debit card and electronic check
 - Automatic payment via email or text messaging
 - Assortment of payment plans

Your Privacy is Important

The information we gather is used by California Mutual to conduct California Mutual business only. We do not share policyholder information with any third parties for their use.

We recognize you have many insurance companies to choose from and we are honored you have chosen to be a member of the California Mutual Insurance Company.

We wish you all the best in 2025!

Matt Curley, CEO
Chief Executive Officer