

# REPORT 2024 *to* MEMBERS

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Martin Leitch speaks to a group of PURE's broker partners and employees at the 2025 Leadership Forum in Nashville, Tennessee.

# CEO LETTER



from Martin Leitch,  
Chief Executive Officer

## DEAR FELLOW PURE

**MEMBERS,** as I sit down to write this letter in the early days of 2025, my heart aches for our members affected by the Los Angeles wildfires. More than 40 of our fellow members lost their homes and belongings, and many more suffered partial losses as a result of these devastating fires.

While we all wish things like this never happened, these unexpected and unwanted events are why PURE exists. We are committed to serving members with care, empathy, transparency and speed in their greatest time of need.

I'm exceptionally proud of my colleagues and our readiness for, and response to, this event.

While the fires were still burning, 18 of our highly experienced claims adjusters, including our Chief Claims Officer, Derek Zahn, touched down in Los Angeles, ready to get to work. We inspected all reported losses in an

expedited manner and began issuing payments before the fires were out.

This passion to serve was shown throughout the organization. One adjuster drove eight hours round-trip to meet with a couple so he could explain in-person how their coverage would apply; several others dug through the rubble of what used to be members' homes to recover jewelry and other sentimental items; and yet another saved koi fish from what remained of a member's pond. Outside of the Claims team, many other team members worked extended hours monitoring the fires and supporting members—one even voluntarily canvassed the burn area by scooter in the very early days to assess damage because cars could not gain access.

Combined, the Palisades and Eaton fires will rank among the top five natural peril-caused insurance losses of this century, and individually, they will rank as #1 and #2 for costliest insured wildfire losses in U.S. history. While the magnitude of these fires

is indisputable, we plan for events like this—so our balance sheet remains strong. That said, this is a timely reminder of what Mother Nature is capable of, especially in catastrophe-prone areas, and that we must continue to smartly manage aggregation and charge premiums that reflect the risk.

**WHERE WE GO FROM HERE**

Adapting to new weather patterns and evolving risk will be a collective effort. State and municipal authorities need to ensure adherence to proper building codes and public safety. Insurance regulators need to ensure protections for consumers while also providing insurance companies with a healthy environment in which to operate. Insurance companies need to provide adequate coverage as well as sound and practical risk management advice and solutions. And policyholders need to act on that advice, doing their part to prevent claims. Together, we believe we can continue to offer broad coverage at a fair price to our members with properties exposed to a range of natural catastrophes. California, however, has been a challenging insurance market since long before the Los Angeles wildfires, which now put the availability and affordability of homeowners insurance at that much greater risk. I hope this event triggers the positive changes necessary to maintain an efficient insurance market in California, but significant adjustments are required for this to become reality. PURE is ready and willing to work with all relevant stakeholders.

**REFLECTING ON 2024**

We have been on a journey to improve the profitability of your insurance company these past few years, and 2024 reflected the impact of these challenging efforts with a significant improvement in results.



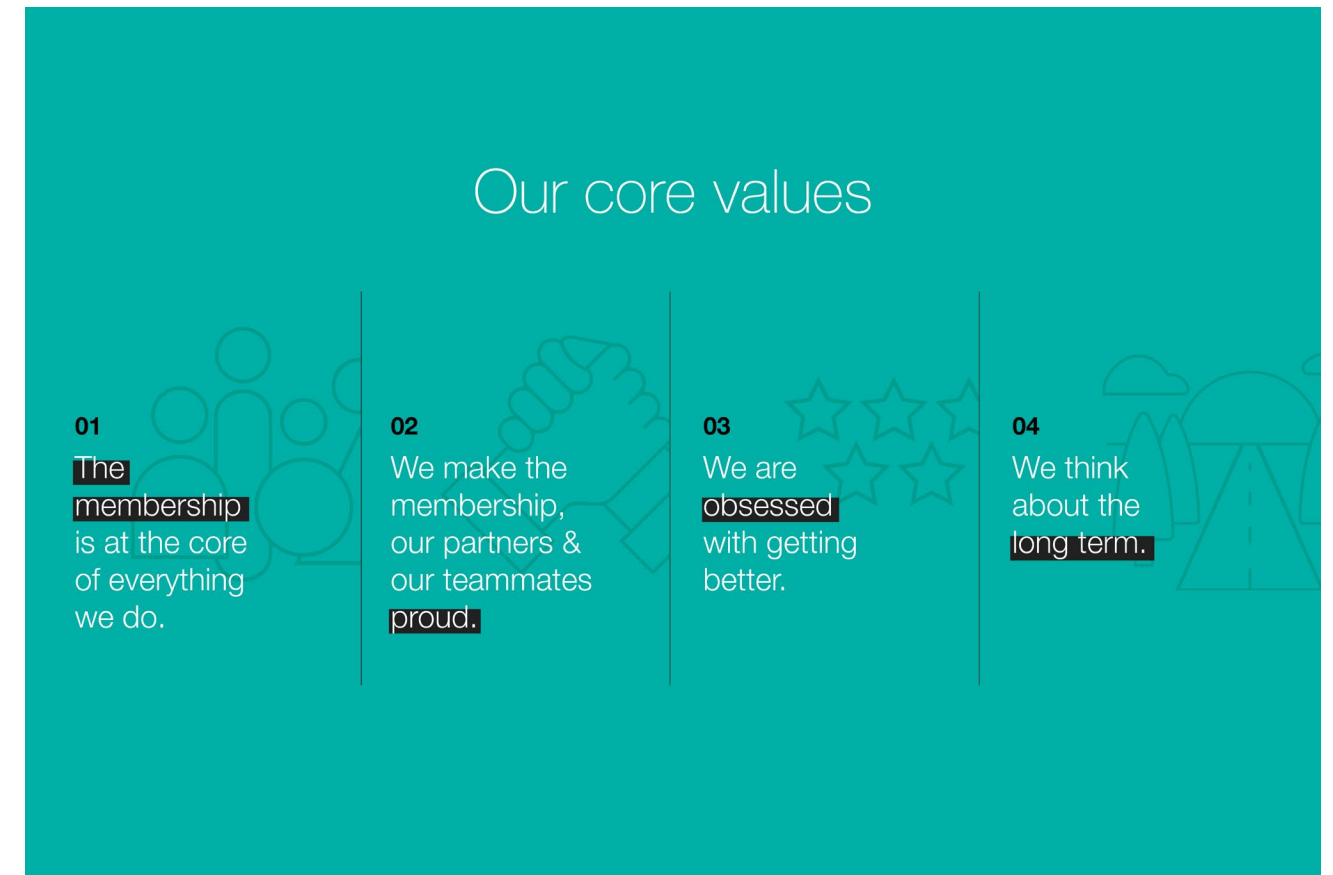
I hope you have peace of mind in knowing that our member-owned reciprocal structure means we are acting in the best interests of the membership. We will continue working hard to earn and keep your trust.

While overall public sentiment towards insurance companies has been negative, with concerns over misalignment and rising costs, I hope you have peace of mind in knowing that our member-owned reciprocal structure means we are acting in the best interests of the membership. We will continue working hard to earn and keep your trust.

While PURE has not been exempt from the challenge of rising claims costs, which contributed to premium increases over the past several years, our reciprocal structure allows us to deliver exceptional coverage and service while rewarding the most responsible members with lower premiums over the long run.

**OUR COMMITMENTS TO YOU**

To that end, my colleagues and I are reaffirming our commitments to the membership. These serve as guideposts and set aspirational standards to which we hold ourselves accountable—and you should too.



**1. We will make your experience easy and delightful.**

We'll approach every interaction with care, humanity and warmth. During Hurricanes Helene and Milton, over 200 PURE employees from across the organization made pre- and post-storm outreach calls to nearly 4,000 members in impacted areas. Our priority was to make sure our members were safe and to provide assurance and simple human connection in an unnerving situation. We take pride in the fact that we were the first insurance company on the ground in certain areas, bringing with us a network of water remediation and tree removal services to start repairs as quickly as possible.

In 2024, we responded to over 53,000 claims and received an industry-leading CSAT (claims satisfaction score) of 91%. This is your insurance company, and our most important goal is to promptly and efficiently restore you after a loss.

In addition to our commitments, our core values guide how we work together and aspire to do business every day.

**2. We will play an active role in loss prevention.**

The best claims experience—no matter how good our service is—is the claim that never happens. By working together, we can make progress in reducing the occurrence of preventable claims, which is the first step in making sure premiums remain fair and reasonable—something I know many of you are keen to see, but something we cannot do without your help.



In 2024, we expanded our Ting offering to help even more members prevent devastating electrical fires.

We now have over 50,000 Ting sensors in members' homes and have been made aware of nearly 150 electrical issues that, if left unaddressed, likely would have resulted in fires.

We will continue to expand this program in 2025. I look forward to the day when every PURE member has a Ting in their home.

Interior water damage continues to be the most common cause of loss among the membership, and we are working very hard to break this trend.

Throughout 2024, we tested many new devices and services designed to prevent these claims, and we are excited to pilot several of them in 2025. You can learn more about our war on water damage on page 16.

**3.** *We will be highly selective about who we let into the membership.*

We reserve membership for the most responsible homeowners, which helps keep claims costs down and, in turn, allows for lower premiums. In 2024, we welcomed nearly 9,500 new responsible members to PURE in the U.S. and following our launch in Ontario in late 2024, we've begun welcoming new members in Canada.

As mentioned earlier, we strive to be a permanent home for responsible members. Our voluntary member retention during the year was just shy of 96%. Through continuous improvement, our goal is to get this number closer to 100%.

**4.** *We will charge a fair price.*

Unlike traditional stock insurance companies, maximizing underwriting profit is not a goal at PURE given our reciprocal structure. Instead, our long-term goal is to charge the "right" price—essentially, to break even over time (after calculating premiums collected minus claims costs, expenses and the cost of reinsurance). I'm pleased to share that we met that break-even goal in 2024 and produced a net combined ratio of 100%. Based on the favorable underlying trends we are seeing, we have started the process to moderate future rate increases for most homeowners.

**5.** *We will be solutions-focused.*

As risks continue to evolve, we'll create new and enhanced products to address our members' most common needs, including enhanced flood protection, which you can learn more about from our Chief Underwriting Officer on page 18.

I hope reading these commitments furthers the trust you have in us and in our dedication to serving you and your family. I can confidently say our enthusiasm and excitement to serve the membership has never been stronger. Through every interaction, we strive to create a member experience so compelling you never want to leave. We want you to Love Your Insurance. Most people don't


think of insurance as something to love. But we believe that when done right, it can be.

**CHALLENGES REMAIN, AND WE'RE IN THIS TOGETHER**


I feel strongly that I must continue to be transparent about the challenges we face and what we are doing to address them. A challenge unique to all insurance companies, PURE included, is that we do not know our actual cost of goods sold (i.e., loss costs) at the time a quote is issued and a policy sold. There are multiple reasons why loss costs, and, in turn, insurance premiums, have soared industrywide in recent years: extreme weather, increased frequency and severity of liability claims, increased severity in preventable homeowner claims—mainly but not limited to water damage—inflation impacting home rebuild and auto repair costs and rising reinsurance costs. I could go on. Thankfully, we are seeing relief in some of these areas, but extreme weather and more frequent and severe liability claims show no signs of letting up, so we need to think creatively about how we might overcome these together.

**2024 Extreme Weather at a Glance<sup>1</sup>** / Insured losses from natural catastrophes totaled \$117 billion. That is up 27% above the recent five-year average and 52% above the recent 10-year average.

- ▶ Severe Convective Storms (SCS) accounted for nearly 50% of U.S. catastrophe losses. Within that category, hail caused more than half of the reported losses.
- ▶ Average annual loss costs from SCS over the past five years are 425% higher than the same annual average loss experienced in the first decade of this century.
- ▶ Five hurricanes made landfall in the U.S. We have now seen a major

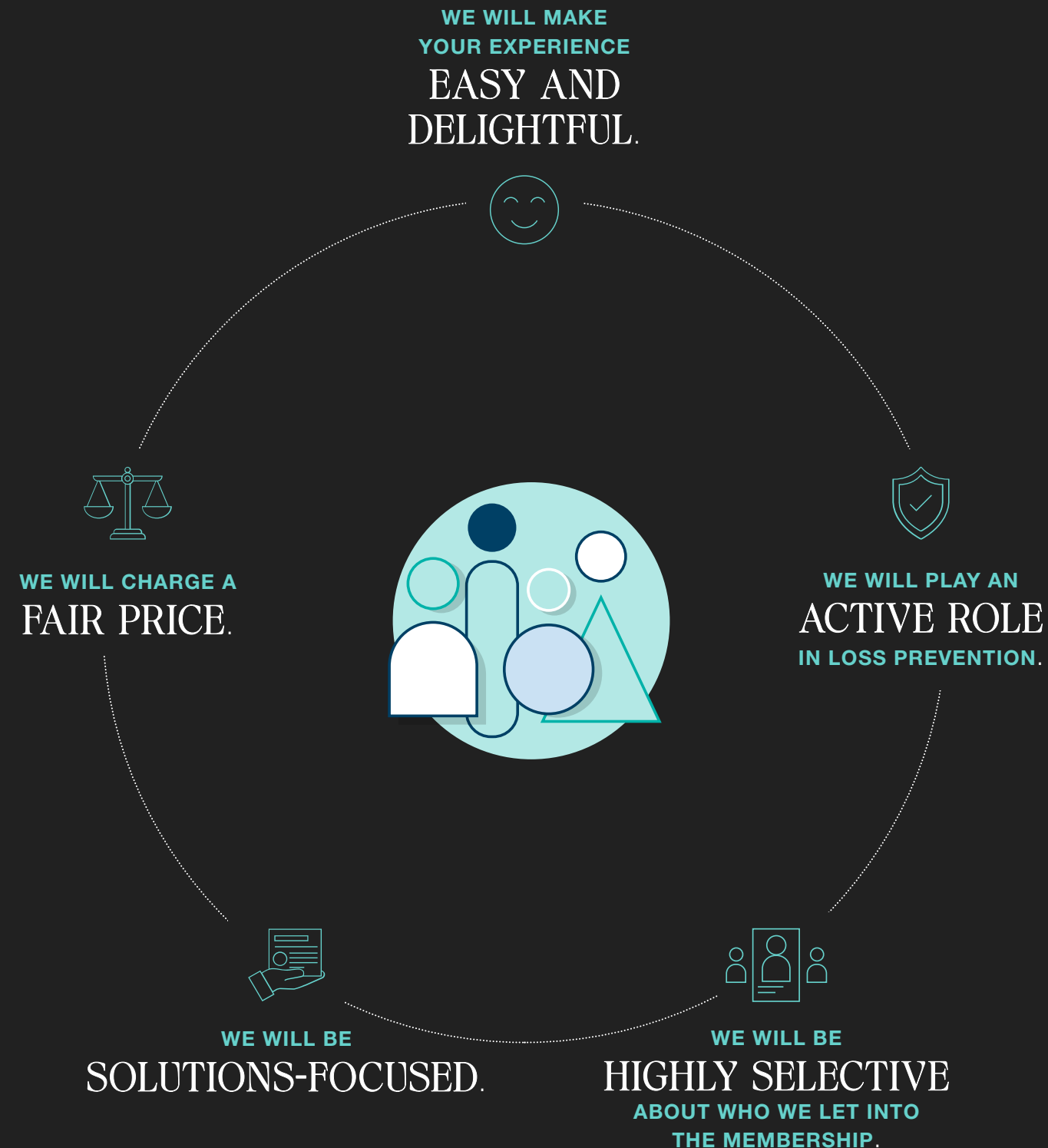


**GET TING FOR FREE** Visit [purein.com/ting](https://purein.com/ting) or scan the QR code to watch a quick video about how Ting works and see if you are eligible for a free sensor.



# OUR COMMITMENTS

These are our guideposts, and they set the aspirational standards to which we hold ourselves accountable.



hurricane landfall in each year for the past five years. The last time this same trend appeared was between 1915 and 1919.

- ▶ Canada experienced an all-time high for weather-related losses.

It certainly wasn't a year for the faint of heart. So what now? As we see it, the best option is to double down on loss prevention and mitigation. But in order to succeed, this will take the collective effort of us all. If everyone does their part, we can bring loss costs and, in turn, premiums down while ensuring you have adequate coverage and peace of mind.

**Casualty Environment** / Claims costs for liability cases have been rising steadily for the past decade. Industry data from 2014 to 2023 shows an average annual severity increase of 9.4%,<sup>2</sup> well above economic inflation over the same period. Excess liability claims data for PURE shows a similar trend in recent years. Analysis conducted by Assured Research, LLC, concluded that the collective 2023 combined ratio for 20 predominantly personal umbrella writers was 146%.<sup>3</sup> Said another way, for every \$1 of umbrella premium they wrote, they paid \$1.46 in losses and expenses. This is simply unsustainable.

There are many reasons for higher severities, including higher medical costs, a more aggressive plaintiffs' bar, and changes in juror sentiments towards defendants, amongst others. We will continue to work with our industry-focused advocacy groups like the National Association of Mutual Insurance Companies (NAMIC) to push for regulatory reforms where they are needed the most, but having adequate excess liability limits is one

of the most important considerations you should have, especially in a heightened loss-severity period such as in today's casualty environment. Read more on this topic on page 28.

## STAYING CONNECTED

As always, we will continue to analyze risk and the claims impacting the membership and will continue to share advice and offer solutions to help better protect you. In addition to the advice you will read in the pages that follow, we now share a quarterly newsletter giving us another platform to share advice, updates and progress. I hope you will read the next issue when it hits your email inbox.

I welcome your thoughts and feedback at any time. You can also join our member feedback group by emailing [getinvolved@pureinsurance.com](mailto:getinvolved@pureinsurance.com).

As always, I greatly appreciate your membership, your trust and the proactive steps you have already taken to help mitigate or even prevent claims. I would be remiss if I did not also thank the 1,100 employees who come to work each day dedicated to delivering exceptional service; your brokers who act as your impartial advocate and who trust us enough to recommend us to you; and finally, the members of the Subscribers' Advisory Committee (SAC) for all of the work they do in making the voice of the membership heard.

## WISHING YOU ALL THE BEST FOR 2025 AND BEYOND,

<sup>1</sup> Gallagher Re, *Natural Catastrophe and Climate Report: 2024*, January 2025. <sup>2</sup> Guy Carpenter, *Casualty Market Update—U.S. Insurers Adapting to Evolving Markets*, October 2024. (Note that the excess liability data in this report combines both commercial and personal lines.) <sup>3</sup> Assured Research, LLC, *Assured Briefing*, August 2024.

# SAC LETTER



from Jodi G. Lash,  
Chair, Subscribers' Advisory Committee

**DEAR PURE MEMBERS,** recent months brought challenges to so many of our fellow members, from relatively small claims to devastating damage caused by events like the wildfires in Los Angeles and Hurricanes Helene and Milton. The truth is that a loss of any kind or amount is disruptive, at the least, and sometimes devastating. My heart goes out to all of you who have been affected this year.

Through my work as Chair of the Committee, I have a unique insider's view into how PURE approaches claims. I have been fortunate to speak with other members this year, many of whom shared stories of the personalized, compassionate and timely support that the PURE team provided when they needed it most, not only with funds but also with navigating the often harrowing process of repairing and replacing the things we have lost.

Helping to make someone whole after a claim is critical, but the real goal is preventing the disruption claims can cause in the first place. Here is where PURE excels. They are

“ Helping to make someone whole after a claim is critical, but the real goal is preventing the disruption claims can cause in the first place.

truly forward-thinking in implementing novel solutions aimed at helping all of us reduce our risk, like Ting for electrical fire risk and LeakBot for water leaks. If you haven't already done so, I encourage you to explore the complimentary loss prevention programs that PURE is offering to a growing number of members by visiting [pureins.co/loss-prevention](https://pureins.co/loss-prevention).

Regarding the work of our Committee, I want to first genuinely thank the dedicated professionals who comprise the Committee and bring their unique skills and expertise to work on behalf of all of us. It continues to be a great honor to serve as Chair of this talented team on behalf of all of you, the PURE membership.




Members of the Committee at their quarterly meeting in Nashville, Tennessee. To learn more about the roles of the Committee and its members, visit [purein.com/sac](https://purein.com/sac).

Having reviewed PURE's financials quarterly and having procured and reviewed the annual independent audit with Price Waterhouse Coopers, the Committee is happy to report that, despite a year marked by several major catastrophes, PURE's financial position remains strong. This financial strength ensures continued security for us, the members. We'd like you to know that this auditing process is rigorous, and the Committee will ask difficult questions when warranted, because we know that we are your representatives and advocates.


On behalf of the Committee, I want to thank all of you for your continued trust in PURE, which I am convinced is deserved. We remain committed to serving as a voice for the membership and helping ensure that PURE remains a member-centric, financially resilient and forward-looking insurer.

**WARM REGARDS,**

*Jodi G. Lash*



**LOSS PREVENTION PROGRAMS** Scan the QR code or visit [pureins.co/loss-prevention](https://pureins.co/loss-prevention) to explore loss prevention programs that may be available to you.



FROM YOUR FELLOW MEMBERS

# WE WANT YOU TO LOVE YOUR INSURANCE

*Our aim is to create an experience so compelling that our members never want to leave.*

**W**E WANT OUR members to truly love their insurance, and we know that love is built on care, trust, transparency and open communication. We value when our members show their appreciation when we get it right, just as we appreciate hearing from those who have lessons on how we can improve.

As an example, one member shared his thoughts on our member communications, and, as we always do, we took his feedback seriously.

"I am happy overall but want you to take a look at the way you communicate with clients. I suggest you review everything that has been sent to me over the past 12 months, and it should speak for itself."

Denis O., member since 2020

Thanks in part to Denis's feedback, we redesigned our billing communications in 2024 to reduce the

number of messages our members receive and make sure what we do send is simple and clear. Every piece of feedback—big and small—helps us improve and brings us closer to being an insurance company our members never want to leave.

Another member shared this note to express his gratitude after his home was impacted by a wildfire in Nevada.

"As we were moving our family to safety, I received a call from PURE...The care, support and expertise expressed during that call, and the calls to follow, took a tremendous strain off of me and allowed me to focus on the needs of my wife and kids. The value of this call cannot be overstated: knowing there was a team working to help us get through this was crucial."

Chad M., member since 2018

We aim to provide our members with an exceptional experience, but the reality is that "exceptional" feels

*This member was grateful that PURE was there for him and his family in the face of a traumatic fire.*

*I just wanted to reach out to you and let you know how happy I have been with how PURE has handled our house fire. The way our adjuster has handled the situation has been amazing. This is the first and hopefully the last claim I have ever filed related to my homeowners policy, and I didn't realize how important it is to have a first class insurance company when faced with a traumatic event. I have realized not all carriers are the same.*

**BERRY C.**  
member since 2019

Dear Karen, Joseph and Thomas,

Thank you all so much for the cute little penguin, pens and journal. I will use the journal every day and I will sleep with the penguin every night. Thank you so much for your generosity! Also, thank you for helping my family rebuild our life after the fire.

Thank you so much,  
Charlotte

*One family, including their young daughter, was particularly grateful for their adjusters' kindness after their home was severely damaged in a fire, just before the holiday season.*

different to every person, so we don't always get it right the first time.

When this member's vehicle—a pickup truck that he had loved and meticulously maintained for more than 20 years—was rear-ended, our initial assessment deemed it a total loss. Frustrated, he urged us to reconsider and repair the truck instead. Understanding what the vehicle meant to him, we took another look and ultimately decided to repair it. We are happy that we were able to turn the situation around and provide the best solution for our member. He wrote:

"Everything changed after your Head of Service Experience contacted me. He was absolutely great. He listened to what I was saying, then took the time to review all the facts and brought in another adjuster. I can't begin to tell you what a change it made. These two represented you in a very thoughtful and professional manner. They really went out of their way to fix this, and they were a pleasure to deal with."

Richard D., member since 2020

If we can deliver on our commitments to help our members reduce their risks, be there to actively help them rebuild their lives after unexpected losses and do our best to delight them at every point of contact along the way, we will be headed in the right direction. Messages like these help us get there. ♦

## Want to provide feedback to help us improve?

At PURE, we are obsessed with getting better, and your feedback is how we learn and grow. Each year, we send a survey to all members to help us understand how we are doing and how we can improve. Many members also receive a survey following a claim, risk management inspection or service interaction.

Our team carefully reviews these responses and uses them to identify and resolve common friction points and to recognize our colleagues when they deliver exceptional service. When you receive a survey from us, please take it and know that your comments inspire us to keep striving for excellence.

If you'd like to provide even more feedback, we invite you to join our Member Feedback Group. This group is made up of more than 4,000 members who are asked to weigh in on topics ranging from new and existing coverages to risk-related concerns.

To join or share feedback, email [getinvolved@pureinsurance.com](mailto:getinvolved@pureinsurance.com).

# WATER DAMAGE IS WINNING

*It continues to be the costliest and most frequent cause of loss for the membership.*

**FLOOD RISK**

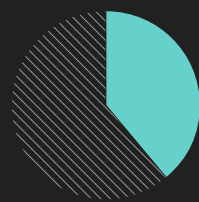
90%+

of U.S. counties have experienced a **weather event that triggered a flood policy** in the past 25 years, yet far fewer counties are officially designated as “high-risk flood zones,” as reported by FEMA.

ROUGHLY 1 IN EVERY 50 members reported a water damage claim in 2024. That claims count jumps to 1 in 9 when we look back over the past four years. These numbers include all claims involving water — whether the source was internal, like water from a burst pipe, or external, like surface water intrusion from excessive rainfall.

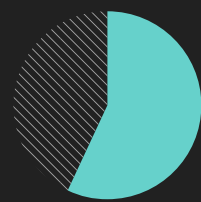
Because water risk is significant and the coverage can be easily misunderstood, we are dedicating a section of this report to explain the peril of water in detail—the various causes of damage; the insurance coverages; and, most importantly, the steps members can take to protect their homes and treasured assets.

**CAUSES**



39%

of **homeowners claims** among the membership were caused by water.



57%

of water damage claims were caused by burst pipes and appliance failures and likely **could have been prevented**.



**CLAIMS**



\$100K

is the **average cost** to resolve a water damage claim among the membership, with some far exceeding that.



100 days

is the average length of time impacted members were **displaced from their homes** while repairs were underway.

Read on to learn more about water damage.



Q&A with Drew Saad, Chief Underwriting Officer

# FLOOD & SURFACE WATER DAMAGE

**Q:** Why is the risk of flood and surface water damage often misunderstood?

**A:** I believe there are two main reasons. First, people tend to underestimate their flood risk. There is an assumption that unless a home is near a major body of water, its flood risk is low. Unfortunately, history has proven this to be untrue. Since 1980, 46 states have experienced a billion-dollar flood event. Further, there is a widespread reliance on FEMA's flood maps, but these don't tell the whole story. In fact, FEMA reports that one in four flood claims are filed by homeowners located outside of what they categorize as a high-risk flood zone.

Second, the distinction between what's covered by a homeowners policy and what's covered by a flood policy can be confusing.



Flood and surface water events are typically excluded from homeowners coverage. This means that separate supplemental insurance coverage is critical in avoiding coverage gaps. While many people think of coastal storm surge when considering flood risk, surface water events driven by heavy rain are a more frequent and widespread cause of loss. Consider the southern Appalachian Mountains as an example, where Hurricane

Helene caused catastrophic inland flooding after a four-day deluge of rainfall. Underestimating the risks has led to a very low take-up rate for an extremely important coverage. Across the membership, only 12% of members currently have flood coverage through PURE. Without coverage, PURE's ability to serve members after a flood can be limited and the financial burden from a loss can be tremendous.

**Q:** Why is flood insurance often handled differently than other types of coverage?

**A:** This is due to the scale of risk involved. While events like a burst pipe or house fire typically affect a single home, floods and surface water events can devastate entire communities at once. Coverage for flooding is most commonly provided by the National Flood Insurance Program (NFIP), but some insurance carriers provide their own standalone or supplementary solutions. Historically, PURE has offered members NFIP policies along with PURE Flood Advantage and Excess Flood endorsements to broaden the coverage.

**Q:** What does a flood policy typically cover?

**A:** Here are some examples: **Storm Surge During a Hurricane** / A beachfront home is hit by a hurricane. Although the structure withstands the powerful winds, a storm surge causes several feet of saltwater to flow into the above-grade first floor, damaging floors, cabinetry, electrical systems and personal belongings. A flood policy would typically cover the structural damage to the home and major systems (like electrical and HVAC), debris removal and drywall



## Why isn't flood damage covered by a homeowners policy?

The answer dates back to the late 1920s and the Great Mississippi Flood, which caused catastrophic damage across six states in the Mississippi River Valley and held the title of the country's greatest

disaster until Hurricane Katrina hit. At the time of the Great Mississippi Flood, homeowners policies typically covered flood damage, but this event would show that the risk, extensiveness and unpredictability of the peril was too great for insurers to automatically include coverage in a standard homeowners policy. It was excluded soon after and, once that happened,

flood recovery relied primarily on federal disaster relief, charitable aid and limited private insurance solutions. This reactive approach often left homeowners without adequate financial protection, leading to the eventual creation of a more structured approach by the government—the National Flood Insurance Program (NFIP) in 1968.



Heavy rains following a wildfire resulted in a mudflow event. The lower level of this member's home was filled with waist-deep mud and debris.

replacement, as well as eligible personal property for the first floor and above, up to the policy limits.<sup>1</sup>

**Flash Flood from Heavy Rain** / A sudden and intense thunderstorm drops several inches of rain in just a few hours. The municipal drainage system is overwhelmed, and water flows downhill, entering a home's basement through ground-level windows, resulting in soaked walls, flooring and stored items.

Coverage for basements can be quite limited with many flood policies. Coverage is typically restricted for structural elements (like walls, floors and staircases) and essential systems. Personal belongings and most finishes (like carpeting or moldings) in a basement are typically not covered.<sup>1</sup>

**River Overflow After Snowmelt** / Following an unusually warm spell, rapid snowmelt causes a nearby river to overflow. Water surrounds and enters a home, causing damage to the flooring and

interior walls.

A flood policy would typically cover direct physical loss caused by the river overflow, including damage to both the above-grade structure and eligible contents.<sup>1</sup>

**Q:** *What is PURE doing to help members more comprehensively when it comes to water damage?*

**A:** As part of our commitment to product innovation, PURE is introducing new flood and surface water solutions for the

*PURE recognizes the importance of basement coverage for the membership and is making sure the ability to purchase the required limits of basement coverage is available in its new flood products.*

membership. These solutions are proprietary PURE products, designed to simplify and enhance flood protection through an endorsement offered on our homeowners policy for lower-risk locations. (For ineligible high-risk locations and members with unique exposures, speak with your broker about other products that may be available from a PURE-affiliated company.) To improve your member experience, we are streamlining the quoting and billing experiences to make it easier for PURE members to add essential flood protection. Notably, our new proprietary solution will enable PURE adjusters to handle all aspects of a claim without needing to coordinate with NFIP or FEMA, ensuring we deliver the exceptional service our members expect.

These holistic solutions will offer critical coverage enhancements, including improved coverage options for basement improvements, basement contents and loss of use, as well as the application of a single deductible if a member needs to file both a flood and a homeowners claim as a result of the same event. For those who still need coverage through NFIP, PURE will continue to serve as a Write Your Own carrier.

We plan to launch these new solutions in late 2025. Initially, they will be offered in just a few states but will be available countrywide by the end of 2026. ♦

<sup>1</sup> Coverage is subject to the actual terms and conditions of the policies issued. Please refer to your policy and talk to your broker for additional assistance in understanding how your specific coverage will apply.

*Our new proprietary solutions will be available countrywide by 2026.*

### What you can do to protect yourself

Flooding and surface water events are very challenging to mitigate and are becoming increasingly common and severe. This is all the more reason to take proactive steps to protect your home, such as:

- ▶ Ensuring proper soil grading around your home to help direct water away from the foundation.
- ▶ Combating the flow of water to your home with French drains and catch basins.
- ▶ Installing a sump pump that is sized appropriately for your home and equipped with battery backup and testing the battery annually.
- ▶ Ensuring proper gutter and downspout maintenance.
- ▶ And, most importantly, purchasing adequate limits of flood insurance. Talk to your broker about your specific risks and for help in deciding which PURE Flood Solution is right for you.



**Drew Saad**  
Chief Underwriting Officer

**DREW LEADS OUR** Underwriting and Product teams and is responsible for designing new coverage solutions to meet the needs of our membership. He can be reached at [drew@pureinsurance.com](mailto:drew@pureinsurance.com).

“ PURE members and their families have a very unique set of needs. We are committed to creating new and enhanced products that help to better protect you from increasing risks, like flood.

**Q&A** with Jason Metzger, Head of Risk Management

# INTERIOR WATER DAMAGE

**Q:** *When you consider the risks facing PURE members, what concerns you the most?*

**A:** Year after year, non-weather-related water damage, like plumbing leaks and appliance failures, is the most common cause of loss and disruption for our members, yet few see water as a major threat—or rather, don’t see it as a big enough threat to take action.

PURE member, friend and “Freakonomics” author Stephen Dubner has said this about risk: “Most people are pretty terrible at risk assessment. They tend to overstate the risk of dramatic and unlikely events at the expense of more common and boring (if equally devastating) events. A given person might fear a terrorist attack and mad cow disease more than anything in the world, whereas she’d be better off fearing a heart attack.”

That same thought pattern happens with risks around the home. Roughly 1 in 50 members suffered a water damage claim in 2024, while only 1 in nearly 1,500 members experienced a home fire. Fire poses a life threat, so it is undoubtedly scarier than water, but you are much more likely to be impacted by water—and when it happens, the damage to your home and personal belongings can be devastating, not to mention the disruption to your daily life.



Interior water damage can be extremely disruptive, displacing members for months at a time while repairs take place.



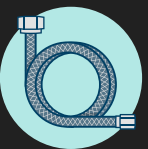



**Q:** *What can members do to reduce their chance of a non-weather-related water loss?*

**A:** There are several things that members can do to reduce their risk. Our data indicates that members who regularly maintain their homes, specifically the plumbing systems, are less likely to experience a claim. This includes conducting regular checks and making any necessary upgrades when toilet supply lines, water heaters and other water-connected appliances reach the end of their recommended lifetime. Additionally, early detection is key. We’ve found that about 25% of all members who install water

*25% of all members who install water flow monitoring technology have an active leak of some sort in their home.*

flow monitoring technology have an active micro leak (a leak that is not noticeable to the eye) in their home. Technology has proven effective in uncovering these small issues before they become bigger ones.

# MAINTENANCE

TYPE OF DEVICE OR APPLIANCE	WHEN SHOULD YOU REPLACE THEM?	WHAT YOU NEED TO KNOW
 <b>Toilet Supply Lines</b>	Every 10 to 15 years <i>(or sooner if there is any visible corrosion, wear or leak)</i>	<ul style="list-style-type: none"> <li>▶ Braided stainless steel hoses or rigid pipes with metal connectors are the most durable option.</li> <li>▶ Evidence of hard water or overtightening can lead to damage over time.</li> </ul>
 <b>Water Heater</b>	Traditional: Every 8 to 12 years  Tankless: Every 15 to 20 years  <i>(or sooner if there is any visible corrosion, damage or leak)</i>	<ul style="list-style-type: none"> <li>▶ Water heaters should be inspected annually.</li> <li>▶ Hard water and saltwater softeners can reduce the lifespan of the water heater. However, regular maintenance and filter changes may extend the lifespan.</li> <li>▶ When it is time to replace it, avoid placing it above a living area of your home. Instead, place it in a basement or in a mechanical room in a heated area of your home or garage.</li> </ul>
 <b>Washing Machine</b>	Every 7 to 15 years	<ul style="list-style-type: none"> <li>▶ Regular cleaning and maintenance can extend the life of your washing machine.</li> <li>▶ How often you use the machine, as well as the hardness of the water, can affect its lifespan.</li> </ul>
 <b>HVAC</b>	Every 15 to 20 years <i>(reduced efficiency is likely after 15 years)</i>	<ul style="list-style-type: none"> <li>▶ For optimal performance and safety, schedule a professional service and inspection at least twice a year, ideally in spring for air conditioning and fall for heating.</li> </ul>

# DETECTION

DEVICE	WHAT IT DOES	RECOMMENDED BRANDS	OVERALL EFFECTIVENESS*
 <b>Water Shut-Off</b>	Monitors the flow of water into your home and will automatically shut it off when an irregularity (e.g., unusually high flow) is detected.	Leak Defense®, FloLogic®, Phyn®, Flo Smart by Moen® or Water Hero®	★★★★★
<p><i>Pro Tip:</i> These are the most effective because they automatically shut off the water supply.</p>			
 <b>Leak Detection Sensors</b>	Monitors water flowing through pipes. When an issue is detected, the associated app alerts you.	LeakBot or Flume	★★★★
<p><i>Pro Tip:</i> When considering a multi-device solution, it makes sense to stick with the same manufacturer in order to take advantage of any interface between devices and the convenience of a single app. That said, a number of alarm companies have also developed leak detection sensors.</p>			
 <b>Point-of-Leak Sensors</b>	When placed under water-connected fixtures, such as a sink drain, washing machine, dishwasher and refrigerator, they can identify small or slow leaks that may be out of sight before they become a big problem.	Leak Defense, FloLogic, Phyn, and Flo Smart by Moen have all developed point of leak sensors to supplement their WSO devices.	★★★
<p><i>Pro Tip:</i> Only a sensor can detect leaks that are not tied to water flow in the home, like a leaking sink drain or overflowing toilet. Use sensors near all water-connected appliances and fixtures.</p>			

**Q:** Why should members prioritize taking preventative action to reduce the likelihood of a water loss?

**A:** The most obvious reason is that these claims are disruptive, displacing members from their homes for an average of 100 days while repairs are being made. And while our Claims team is committed to helping members recover as quickly and easily as possible, it is so much better to avoid one altogether.

The more subtle reason is that when members do their part to maintain their homes and take preventative steps, it reduces the considerable strain that these claims have on the membership, ultimately helping PURE to be as cost-effective as possible.



**Q:** How can PURE help members?

**A:** First, I encourage you to take us up on one of our complimentary loss prevention programs. We are currently offering technology like LeakBot and Flume sensors and, in some cases, in-home checkups like the PURE Watertight Home Check™ to help members identify areas that are vulnerable to water damage and reduce the risk. Visit [pureins.co/loss-prevention](https://pureins.co/loss-prevention) to see which programs are available in your area.

Next, to get a full assessment of your home and opportunities to improve its protection, you can log

in to your account online or on the mobile app to schedule a PURE360® Risk Management Consultation.

Last, but certainly not least, our Risk Management Services team can provide one-on-one support as you navigate the decision and installation process related to loss prevention. Whether you are looking to replace water supply lines or a water heater, add security alarms or fix an issue that has resulted from deferred maintenance, this team of experts is here to help guide and educate you. Email [lossprevention@pureinsurance.com](mailto:lossprevention@pureinsurance.com) to get started.

LeakBot is a smart water leak detector that can spot hidden leaks before they become bigger problems.

**Q:** Now, more than ever, consumers are seeking loss prevention advice.

Have we seen that shift with PURE members?

**A:** I think PURE members have always been more interested in prevention than your average consumer, and that's likely part of why they are with PURE. Building on that, our annual member survey indicates that our complimentary loss prevention programs have been welcomed by

“ I think PURE members have always been more interested in prevention than your average consumer.

the membership with even more enthusiasm than we anticipated. While things are trending in the right direction in terms of preventing losses, there is still so much more we can do.

In some cases, these technologies have a learning curve, and we've asked our Risk Management team to become experts in how these solutions and their various apps work. While traditional insurance companies focus only on collecting premiums to pay claims, we are working hard to flip this model to proactive prevention and are committed to partnering with the membership to reduce losses and disruption for our members. I'd love to chat with any member who has questions, solutions that they've utilized that they think other members could benefit from or feedback on how we can better tailor our approach. ♦



Jason Metzger  
Head of Risk Management

**JASON LEADS OUR** Risk Management team and is responsible for implementing strategies that help members reduce their risk of experiencing a loss. He can be reached at [jason@pureinsurance.com](mailto:jason@pureinsurance.com).

“ We continue to be committed to partnering with the membership to prevent losses and reduce disruption for our members.



**SEE IF YOU QUALIFY FOR A FREE SENSOR** Complimentary technology, like LeakBot and Flume sensors, and monitoring services or in-home checkups may be available in your area. Visit [pureins.co/loss-prevention](https://pureins.co/loss-prevention) to learn more.



**THE IMPORTANCE OF EXCESS LIABILITY COVERAGE**

# HAVE PEACE OF MIND THAT THE PEOPLE AND ITEMS IN YOUR LIFE ARE WELL PROTECTED

*With the risk of lawsuits on the rise, selecting the right limits is essential.*

**I**N TODAY'S INCREASINGLY litigious society—partially fueled by large settlements, nuclear verdicts and legal system dynamics—the need for personal excess liability insurance to protect your assets has never been greater. As the landscape of litigation risk evolves, it's essential to select the right limits and the right insurance company, with the right

resources, that will stand by your side should you ever experience a liability claim.

Several factors are driving up the risk of lawsuits and large judgments, including the perception that there is a lot to gain from a particular defendant. This can lead to angling for outsized jury awards. We are seeing this more and more as minor car accidents are increasingly turning into excess liability claims.

Litigation funding has also emerged on the scene in recent years. This practice involves third-party investors providing capital to plaintiffs in exchange for a share of the financial award. The infusion of funds makes it more challenging to settle cases for fair and reasonable sums.

These compounding factors don't just affect the individual being sued, they impact insurance as a whole: When the cost of claims is higher than what is usual and customary (what's known as "social inflation"), it can drive up insurance premiums.

*Talk to your broker about your specific risks and for advice on selecting the appropriate limits.*

**HERE TO SUPPORT YOU WHEN YOU NEED US MOST**

As a reciprocal, we operate in the best interest of our membership. As stewards of our members' capital, we work diligently to mitigate the impact of social inflation on the membership by partnering with a diverse panel of highly skilled lawyers from across the country, investing in jury research on our most complex cases and leveraging AI and technology to create models that predict bodily injury claims costs.

Additionally, as every state and jurisdiction operates differently, it's more important than ever to partner with an insurance company that understands how to navigate these complex and often unfavorable legal environments for protection against financial harm. ♦

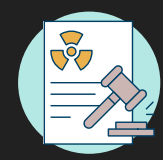
**How PURE supported one member through a legal battle**

A member was involved in an auto claim in which the claimant filed a lawsuit seeking \$275,000 in damages—which our Claims team found evidence did not support. When the claimant discovered the identity of our member, he amended the claim, seeking additional compensation, which climbed from \$1.5 million to nearly \$30 million by the time the case went to court. (The plaintiff attorney sent the claimant to multiple "experts" across the country looking for the right diagnosis and inflating the medical bills to impact the overall value of his claim.)

While settling can be a quicker, and sometimes less expensive resolution, PURE recognized that our member was being taken advantage of and fought on his behalf for several years. The dispute went to trial and the final judgment was rendered in favor of the member, who was found not liable for any damages to the claimant.

We are committed to advocating for our members, especially in the face of significant challenges, like being unfairly targeted in a legal dispute, to help protect their financial future.

**Definitions**



**Nuclear verdict** / A term used to describe an extremely large and unexpected financial award in a lawsuit, typically in the millions or even tens of millions of dollars.

These verdicts are often seen as excessive and can result from high jury awards in personal injury or wrongful death cases, sometimes driven by emotional factors or aggressive litigation strategies.



**Litigation funding** / A financial arrangement where a third-party investor provides money to help cover the costs of a lawsuit, such as legal fees, court costs and expert witness fees.

Often used for personal injury cases, this funding allows individuals who might not have the financial resources to pursue a legal case to move forward with litigation. In exchange, the investor receives a percentage of any settlement or judgment if the case is successful. Some argue that litigation funding can encourage frivolous lawsuits or increase the size of claims, contributing to higher legal costs and inflated verdicts.



**Social inflation** / Refers to the rising costs of insurance claims, often due to changes in societal attitudes and legal trends. This includes factors like

more frequent lawsuits, larger damage awards and an increase in "nuclear verdicts." The term also reflects the influence of factors like economic inequality, aggressive litigation tactics and the growth of third-party funding in lawsuits. As these trends grow, insurance companies face higher costs to settle claims, which can lead to higher premiums for consumers.

PREVENTING HOME FIRES

# WORKING TOGETHER TO REDUCE HOME FIRE RISK

Smart technology and home maintenance can help you to reduce the likelihood of electrical and other types of home fires.

**W**

**HILE HOME FIRES** are infrequent, they are almost always severe. Home fires, excluding those caused by wildfires, were responsible for just over 20% of homeowner losses in 2024.

But more than the damage caused, these fires led to some traumatizing and disruptive experiences for our members.

Thanks in part to the increased use of technologies like Ting, our members are seeing a decline in the frequency of some of the most devastating types of fires: those caused by electrical issues. However, even one among the membership is too many given the danger and devastation a fire can cause. Together, we can do more to prevent fires from happening.



A PURE member's home during and after renovations following a home fire.

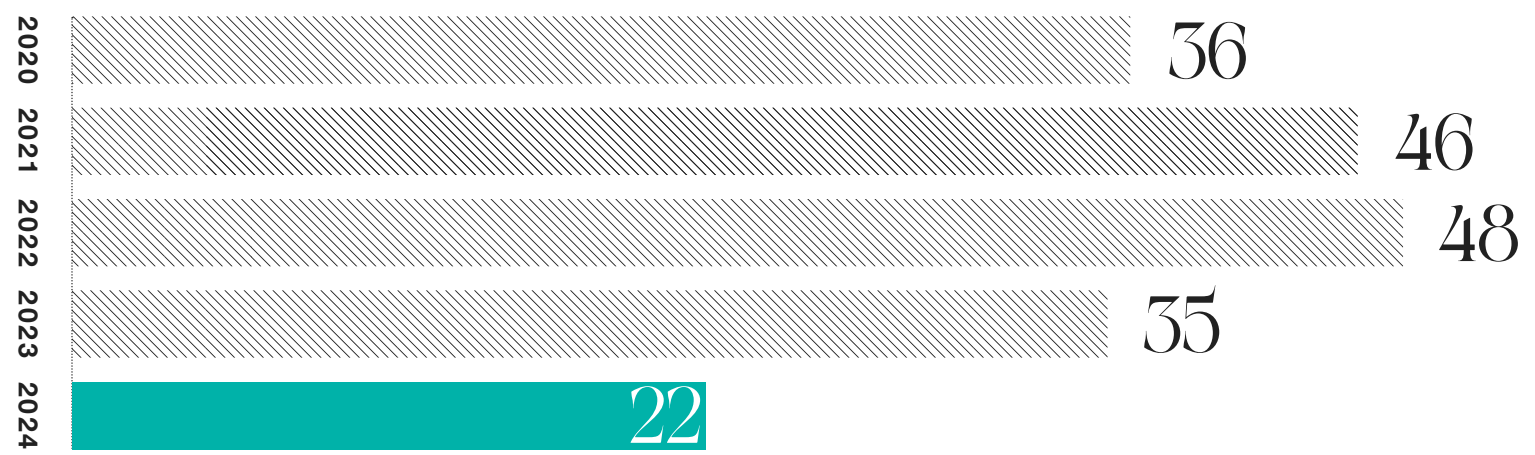
*We are grateful for all of the responsible actions our members have taken to minimize risk. This is an ongoing process and there is still more progress to make toward our goal of reducing preventable losses and potentially saving lives. This creates a call to action for all of us.*

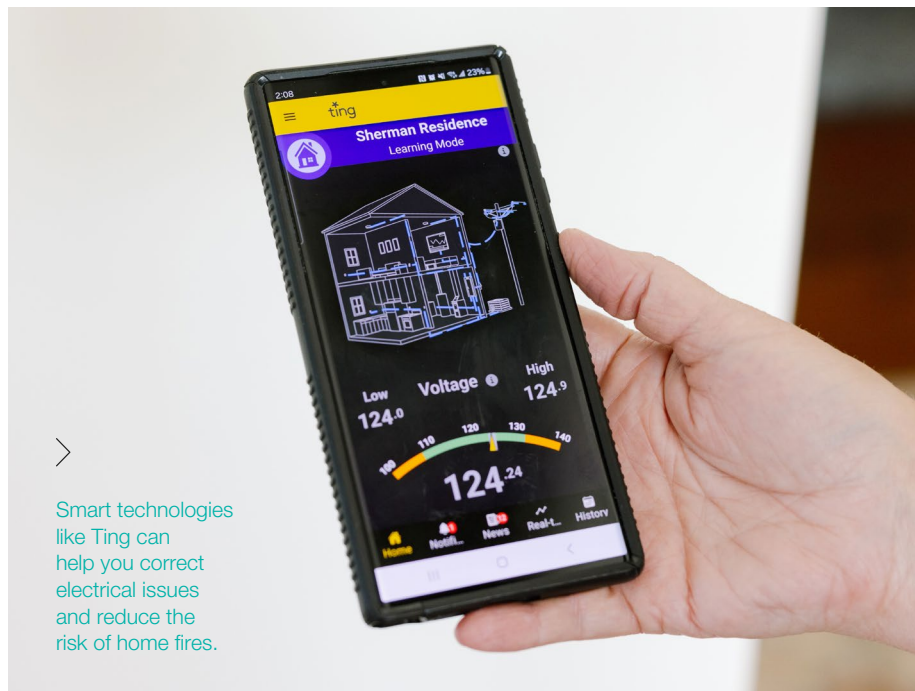
To get the most comprehensive protection, work with a qualified electrician to ensure your home is protected by a Ground Fault Circuit Interrupter (GFCI). A GFCI protects your home and the people in it from electrical shocks and fires. Per national building codes, GFCI outlets should be installed in your bathroom, basement, laundry room, kitchen and any other area where water is or could be present. But if your home was built before 1970, it could be lacking this important safety feature.

**HOW IT WORKS**  
GFCIs monitor the flow of electricity in a circuit and can shut off the power within 1/40 of a second if an imbalance is detected, reducing the risk of both injuries from an electrical shock and home fires. GFCIs can be installed directly in your electrical panel to provide protection for your entire circuit or on an outlet-by-outlet basis.

REPORTED CLAIMS

Electrical Fires





Smart technologies like Ting can help you correct electrical issues and reduce the risk of home fires.

"[I am] thankful to the Ting team for alerting me of an electrical hazard that could have been dangerous to us and the property. A local electrician came to the house and [Ting] directed them over the phone until they were satisfied that the cause was most likely addressed. [Ting] continued to monitor things closely for days before calling the issue resolved. Very impressive service."   
Bernard and Hue H., members since 2020

"When we first received Ting from PURE, I was skeptical. After plugging it in, it alerted us to a hazard. Our handyman inspected and found no issue, so thinking they were false warnings, I unplugged the device. With some persistence from PURE, Ting and our handyman, we discovered the culprit—our front porch light—and fixed the issue, which could have caused a fire. I have been so impressed with everyone I spoke to and can now recommend Ting as a valuable tool in preventing fires. It's just like your home's security system, but it detects electrical issues that are otherwise out of sight. It makes me feel more confident that our home is safe."   
Barbara M., member since 2022

One of the easiest steps you can take as a PURE member is to request a free Ting sensor. To date, more than 30,000 Ting sensors have been installed in members' homes and around 150 issues that could have resulted in electrical fires have been detected and remedied.

Team with next steps. Ting includes a \$1,000 lifetime repair credit per sensor if an electrician is required to fix the issue.

### HEAR FROM YOUR FELLOW MEMBERS

#### HOW IT WORKS

Ting offers 24/7 monitoring, real-time alerts to electrical hazards and a repair service so you can correct issues before they become fires. A small smart sensor simply plugs into any wall outlet in your home and continuously monitors the electrical system for damaged wires, loose connections or faulty appliances that can cause an electrical fire.

If a hazard is detected, you'll receive a notification on your phone and a call from Ting's Fire Safety

"Ting caught something related to arcing and coordinated with my preferred electrician to come out, find the issue and repair it. The electrician was shocked that a device plugged into an outlet detected the issue. The repair was done quickly and paid for by Ting. Ting made everything easy for both my electrician and me. I have a greater sense of safety, related to electrical issues, with my Ting."   
Michael C., member since 2014

#### OTHER STEPS YOU CAN TAKE TO PREVENT HOME FIRES

- ▶ If you notice flickering lights, blown fuses, burning odors or discolored or scorched outlets, have your electrical system assessed by a qualified electrician as soon as possible.
- ▶ Work with a qualified electrician to ensure your electrical system is grounded in case of a lightning strike.
- ▶ Have your electrical panel and furnace inspected annually by a professional.
- ▶ Ensure your stove and oven are properly cleaned and in good working order.
- ▶ Have your chimney inspected and professionally cleaned annually.
- ▶ Keep outdoor grills, cookers and fryers at least 3 feet away from your home and away from bushes and shrubs.

- ▶ Do not run electrical cords under rugs or furniture.
- ▶ Never leave candles unattended.
- ▶ Have leaves and other debris regularly cleaned from your roof to minimize any potential ignition or fuel. ♦

*Home fire risk increases during holidays and other celebrations as we often engage in activities, like lighting candles, placing flammable or live decorations and perhaps distracted cooking.*

Visit [pureins.co/holiday-safety](https://pureins.co/holiday-safety) for safety reminders around the holidays.



A PURE member's home during and after renovations following a home fire.

**GET TING FOR FREE**

Visit [purein.com/ting](https://purein.com/ting) or scan the QR code to watch a quick video about how Ting works and see if you are eligible for a free sensor.



*Our*  
**MEMBERS**  
*and their*  
**STORIES**

*Our membership is at the center of everything we do at PURE. These talented and accomplished people are why we exist as an organization, and they make us better every day. To tell the PURE story, we start with their stories.*

*The*

# STAIRCASE

MEMBER  
STORIES



*on*

# SEASIDE ISLAND

*On a beautiful November afternoon in 2022, Margaret and David Townsend were attending the RSM Classic, a PGA TOUR event on Sea Island, Georgia, when they got a call from their alarm company. Heat sensors were going off at their home, and the company was sending the fire department.*

**MOMENTS LATER.** a neighbor called to confirm—their house was truly ablaze. In a state of shock, Margaret told the neighbor their dog, Twiggy, was in the house. They raced for home, but the island is a narrow strip of land with one road in and out, and emergency vehicles had the area in total gridlock.

When Margaret and David finally got through, the blaze was out of control. But to their great relief, Twiggy had been rescued. A police officer had crawled into the burning house, searching through

the smoke on hands and knees, and found the unconscious dog. A neighbor jumped into action and performed rescue breathing, bringing Twiggy back to consciousness.

Watching now from across the street, the Townsends were caught between disbelief and an overwhelming sense of gratitude. Their house was on fire, but they were safe, and Twiggy was okay.

The island is special to the Townsends. It's where David's family vacationed for years, and where the couple themselves began to



MEMBER  
STORIES





build a life together. “We started dating in November, and a month later I was going to Sea Island with his family,” Margaret recalls. “We have a long, long history there.”

Margaret grew up some 400 miles north in Winston-Salem, North Carolina. She attended Randolph-Macon Woman’s College, majoring in French and Business. She started her career in banking and later began buying and merchandising for her family’s antique shop, La Cache.

She and her parents combined their own love of beautiful china, silver, crystal and fine antiques with a desire to share these treasures with their community. For more than 30 years, Margaret took buying trips with her parents to bring beautiful things back to Winston-Salem.

She continued these trips with her dad for several years following her mother’s death until “retiring” to focus on raising her and David’s three children. She continues to be involved in community volunteer positions, her church, her children’s schools and other causes close to the family’s hearts.

David grew up working with his brother on the family tobacco and livestock farm in Lumberton, North Carolina. Summer meant long days driving tractors and sweating in warehouses. But David was destined for something other than the farming life. He recalls his father’s career advice: “Tobacco will only last as long as I do. So y’all find something else to do.”

David took the words to heart and, after majoring in history at University of North Carolina at Chapel Hill, worked for a time in financial services, eventually going back to business school so he could pursue

a career in investment banking.

At about this time, David and Margaret met at a friend’s wedding. They both felt instant butterflies and soon realized they’d found their life partner. They were married nine months later and settled in Chapel Hill, North Carolina, while David finished business school.

Their first child, Reilly, arrived two weeks after graduation. “It was the perfect time for me to be a more full-time mom,” Margaret says. “Which I loved.”

After eight years working for Ernst & Young and Stephens, Inc., David decided he was ready for a new challenge. The Townsends returned to Winston-Salem, where he founded Five Points Capital, a private equity firm, with two colleagues.

Under his leadership, the company thrived, employing 25 people and managing more than \$1.5 billion in assets. But for David, the real satisfaction came from the impact they had on their community and the businesses they supported.

“Typically, we were the first institutional investor in these relatively small, family-owned businesses,” David says. “Growing my own business and helping others grow theirs—I found that very fulfilling.”

Over the years, Sea Island remained the family’s anchor where they spent countless happy summers together. Eventually, Margaret and David purchased their own lot and decided to build a home.

They took inspiration from the original Cloister Hotel on Sea Island, as well as some of the historic homes nearby. “We wanted a welcoming, comfortable new interpretation of the Spanish Revival style,” David says.



The Townsends  
have been  
PURE members  
since 2018.

And evidently, they did a good job. Their daughter Reilly—a Parsons-trained interior designer by profession—chose to be married there, descending the staircase in her wedding gown.

“We loved the process of building a new home,” Margaret says. “Most people don’t. But even today, even after the fire, I can say we loved researching, building and designing the house.”

The day of the fire started off normally enough. The Townsends left their home in the morning, headed for the golf course. Around 3 o’clock that afternoon, the alarm company called to say fire trucks had been dispatched.

The blaze started in the attic, in an area housing mechanical and electrical equipment, and burned with unusual intensity. “The fireman said the wrought iron railing was glowing red,” David recalls. Miraculously,

“

Even today, even after the fire, I can say we loved researching, building and designing the house.

the staircase survived, but other treasures did not. “Oil paintings on walls that weren’t even near the fire, just blistered and melted.”

“In those early moments, I didn’t think about stuff,” Margaret says. “Stuff is not important.”

“We recognized how lucky we were that it hadn’t happened at night,” David continues. “And unlike so many people that go through this, we had another place to go to. So, we were just feeling really grateful.”

The Townsends’ daughters, Reilly and Mary Lyle, both celebrated their weddings at the family’s home on Sea Island.



Featured art: “salt marsh redux iv” by John Folsom.



The Townsends' dog, Twiggy, was home at the time of the fire and was miraculously saved by a first responder and neighbor who sprung into action.



“

Getting everything back and seeing it so beautifully restored, that's been a joy the last few months.



The design of the Townsends' home draws inspiration from some of the historic properties on Sea Island, as well as a new take on the Spanish Revival style.

PURE Executive General Adjuster, Julie Ivy, was assigned to the Townsends' claim and orchestrated the recovery. "She said, 'We're going to manage this rebuild, but you have to get on with your life as you normally would,'" David recalls.

PURE Art Services moved quickly to assess what could be salvaged from the Townsends' collection and identify specialized fine art and furniture conservators to undertake the long and painstaking process of restoration.

"Getting everything back and seeing it so beautifully restored, that's been a joy the last few months," Margaret says. "For some things, I thought, 'Wow! That looks better than it did before the fire.' These craftspeople, they're just amazing."

After a two-year rebuild, the Townsends finally moved back to their home in November 2024. And just four months later, their daughter Mary Lyle's wedding celebration once again filled its rooms—the staircase where Reilly once descended in white serving as the perfect backdrop for the new bride and another new beginning.

And today, somewhere in the house, a lucky dog named Twiggy might just be taking a nap, dreaming about her second life in a twice-built home. ♦

*The*

# NATURE

MEMBER  
STORIES



*of* **SUCCESS**

# F

*Farooq Kathwari is a risk taker. He was born in Kashmir and grew up surrounded by breathtaking natural beauty.*



**AT AGE 20**, he set out for New York City with little more than an undergraduate degree in English literature, an acceptance to NYU's MBA program and a pocketful of confidence. Farooq stepped into the concrete canyons of Manhattan, having never been abroad and knowing virtually no one in the U.S. except his father, who was only in the city for a short while.

Shortly after arriving in New York, Farooq's natural confidence quickly opened doors. One day, he spotted a bookkeeping position in the classifieds. He asked his classmates what it was a bookkeeper actually did. "Don't apply," they advised. But Farooq thought, "What's the worst

that could happen?" —a motto that has served him well throughout his life.

He duly marched into the small printing company on Canal Street and presented himself as a candidate and was instantly in over his head. But, thanks to a well-timed interruption, a sympathetic secretary's impromptu tutorial and some quick thinking, he landed the job. Scarcely a year later, his resourcefulness propelled him to a financial analyst position at Bear Stearns and then to New Court Securities, a Rothschild company, where he became the Chief Financial Officer.

Farida Kathwari was born and raised in Srinagar, Kashmir's capital, and also grew up surrounded by extraordinary natural splendor. The city, with its ancient gardens and waterways, shaped her appreciation for beauty and harmony.

She learned to play a traditional Kashmiri instrument called the tumbaknaer and sang in groups at weddings and celebratory gatherings. She studied at a women's college, earning a degree in education and, after her unconventional long-distance wedding to Farooq (a story in itself), she too left her homeland for New York.

>  
Farida Kathwari learned to play the tumbaknaer, a traditional Kashmiri instrument, in her childhood—a passion that she continues to enjoy to this day.





Farooq and Farida first met as teenagers in Srinagar, and he was instantly smitten. “He said that he wanted to marry me,” Farida recalls. “No!” Farooq laughs, “I only said I like you.” Their paths diverged for several years as they completed their educations, but they eventually came back together. And in 1968, Farooq and Farida decided it was time to get married.

When circumstances prevented Farooq from returning to Kashmir, the couple arranged what may have been the world’s first transcontinental telephone wedding. “Groom in New York and bride in Kashmir,” Farooq laughs. “Farida had 400 people in her family’s home, and I was by myself in Brooklyn.”

Farida joined Farooq in the U.S. in December that year. On her second day in the country, she took on three tasks: get American clothes, start English classes at the local community college and find a job. Within a couple of weeks, she had accomplished all three, securing a position at Korvette’s department store on 34th Street.

While Farida was conquering American life, Farooq was honing his entrepreneurial skills, convincing Bloomingdale’s to buy Kashmiri crafts sent by his grandfather. When he learned Ethan Allen, the high-end furniture company, was having trouble sourcing fabrics from Kashmir, he seized the opportunity and offered to solve their supply problems, despite knowing nothing about the furniture business.

His business relationship with Ethan Allen flourished. In 1973, Farooq formed a partnership with the company to develop products from

around the world. He set up offices in Florence, Italy, and became one of the first American businesspeople to source products from China. He became president of Ethan Allen in 1985, and by 1988, he had earned the title of chairman and CEO—all of which are roles he still holds today.

Throughout their journey, the Kathwaris have held onto their deep affection for nature, a value shaped by their childhoods in Kashmir. They lived briefly in Manhattan, but city life left them restless. “We needed the outdoors,” Farooq says.

The couple purchased their first home in the suburbs of New York City, where they have lived for 52 years, right on the Long Island Sound. In 1980, they took another bold leap—buying a 175-acre dairy farm near Hudson, New York, complete with cows, chickens and 6,000 fruit trees.

Though he knew virtually nothing about it at the time, Farooq turned his attention to farming, which included planting wildflowers and developing a lake and pond on the farm. These outdoor spaces allow the couple to recapture something of the expansive natural environment of their youth.

They became PURE members in 2017 on the recommendation of another Ethan Allen executive. PURE now insures both their primary residence and the farm. Their suburban home, built around 1850, has required vigilant care over the years.

“We’ve had to upgrade almost everything,” Farooq says. “The structure is very good, but we’ve replaced a lot of electrical, air conditioning, heating, windows—all of those things.”



The Kathwaris have been PURE members since 2017. PURE insures both their New Rochelle home and their farm house in Hudson, New York.



^  
The Kathwaris' home is filled with photography and other memories of their life in Kashmir and the life that they've built in the U.S.

Despite their diligence, a few years back they experienced an electrical issue that led to a fire. While the fire was small, smoke damage spread throughout the house.

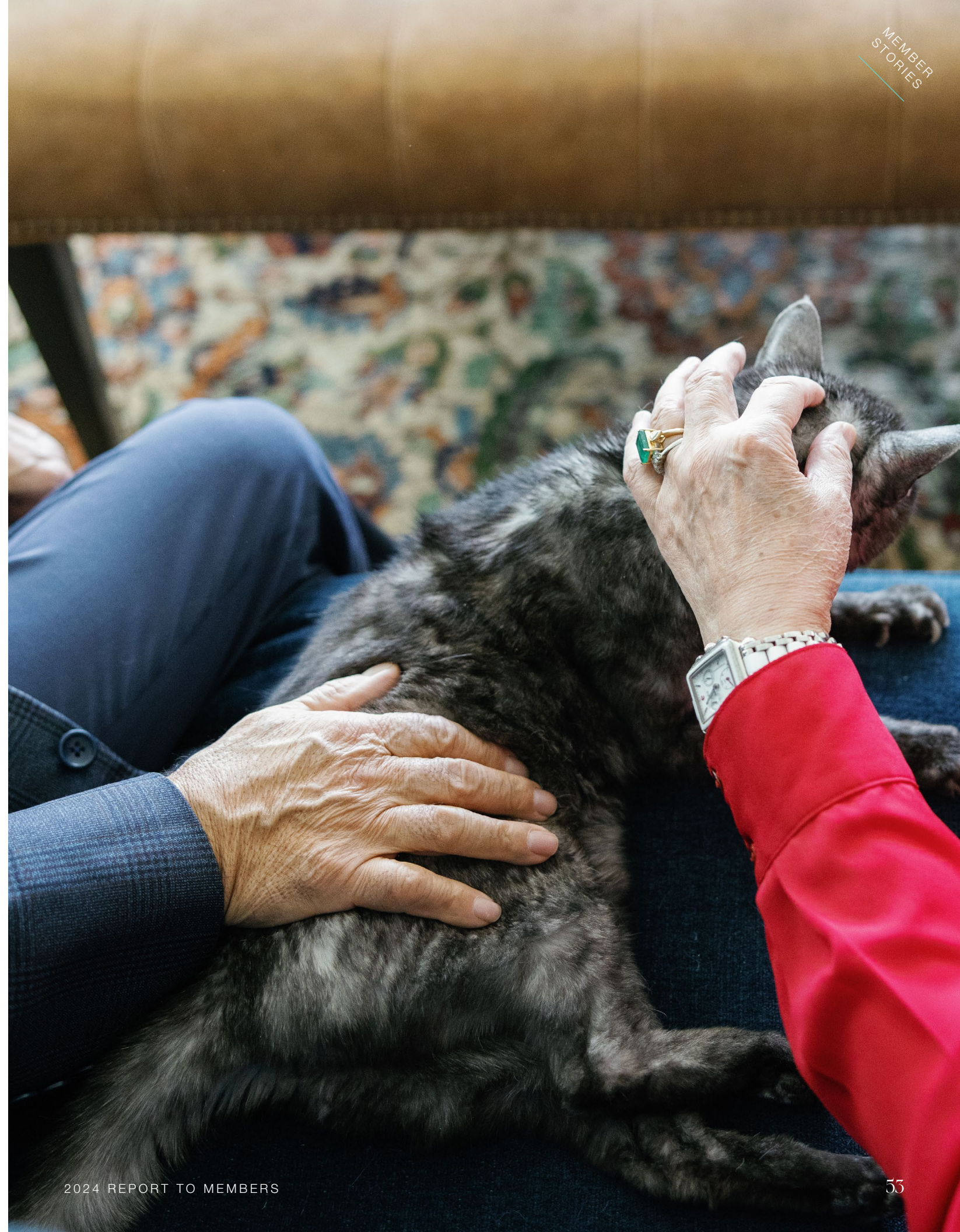
"PURE did a great job," Farooq notes. "Their team came in right away and helped with everything." Despite the small scale of the fire, the restoration work was extensive, and the incident highlighted the value of having proper protection for their historic home—particularly one filled with memories and sentimental treasures.

Throughout their journey, the Kathwaris have maintained their cultural roots alongside their connection to nature. Farida still plays the tumbaknaer and sings in both Kashmiri and Urdu with friends.

“  
PURE did a great job. Their team came in right away and helped with everything.”

She sometimes performs with her four grandchildren, sharing the music she grew up with.

From a telephone wedding that bridged continents to 55 years of marriage, from growing up surrounded by the natural beauty of Kashmir to building a business empire in America, the Kathwaris' journey exemplifies the spirit of possibility. "What's the worst that could happen?" indeed. ♦



**GEOGRAPHIC EXPANSION**

# WE ARE NOW WELCOMING MEMBERS IN CANADA

*PURE's member-focused model and specialized coverages are now available in Canada.*

plans to expand to additional provinces in the future. We will also introduce auto coverage in Ontario in late 2025.

In the first few months of operation, we have welcomed dozens of members and helped to provide solutions for several existing members with homes in Ontario. We look forward to introducing our fresh approach to many more in the future. To learn more, visit [pureinsurance.ca](http://pureinsurance.ca).

**CREATING A CROSS-BORDER SOLUTION FOR OUR MEMBERS**

Terry and Kathleen Jenkins, PURE members since 2016, were born and raised in Toronto, but today they call both the U.S. and Canada home. After Terry's career in wealth management brought them to Chicago and later to Cleveland, the couple ultimately retired to Scottsdale. They now split their time across the two borders.

"We spend five months of the year between Toronto and Chicago,



**S**EPTEMBER 2024 MARKED our first international expansion, providing a new insurance solution for high net worth Canadians while also allowing us to better serve our members who have homes in both the U.S. and Canada.

While this is a new market for PURE, our member-focused model remains the same.

With a focus on growing slowly and smartly through select broker partners, we are beginning by offering coverage in Ontario, with



**Chris Sevdalis**  
*Head of Canada Branch*

**CHRIS, WHO HAS** nearly 30 years of experience in the property and casualty insurance industry, joined PURE in 2021 to lead PURE's expansion into Canada.

“We aim to offer owners of Canada's finest homes a new insurance option, building long-term relationships to make them safer, smarter and more resilient.”

“With PURE, we've never felt like a number. The communication from both PURE and our broker is personal. It's proactive, it's transparent. It's been a very positive experience.”

*Terry and Kathleen J., members since 2016*

where our children are, and then spend the winter season here in Scottsdale,” said Terry. “Our lives are ingrained in all three communities.”

It was through their insurance broker that they first found out about PURE. “We didn't know much about the company, but we trusted our broker,” said Terry. “We've had a great experience, so when PURE launched in Canada, it was a no-brainer for us to insure our Ontario assets with them.”

“Previously, when we were working with two different insurance companies, our coverage seemed very disconnected,” said Terry. “Now all of our policies are under one account. It has been helpful to manage all of our needs holistically.” ♦

TEEN DRIVING

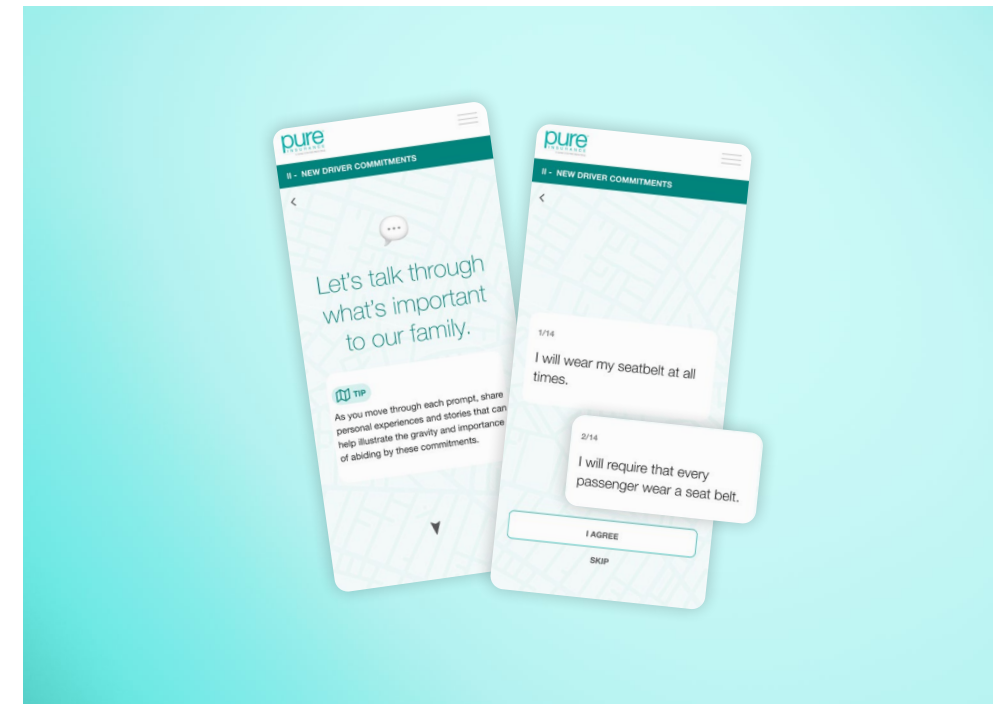
# ON THE ROAD TO SAFER DRIVING

We are launching a new program to encourage safer driving practices for teens.



**W**E STRIVE TO provide peace of mind to our members—to help them worry less. In 2025, we are introducing a new program geared toward one worry that many parents can relate to: teen driving. As our CEO, Martin Leitch, shared in last year’s annual report, there are few things more frightening than the idea of your child getting behind the wheel of a car. Unfortunately, this fear is supported by our data.

*Among the membership, the probability of a teen driver being involved in a car accident is twice as likely as an adult. And, when a claim does occur with a teen driver, it is three times more likely to be severe, resulting in both property damage and bodily injury.*



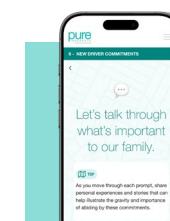
The Teen Driver Program includes a conversation guide for parents to help facilitate a collaborative exchange with their teens about safe driving.

### INTRODUCING PURE’S TEEN DRIVER PROGRAM

To start, the program will include:

- ▶ **A complimentary two-year premium subscription to Life360**, a driving safety app that offers features like location sharing, phone usage monitoring, crash detection and SOS alerts, speed monitoring and weekly driving reports.
- ▶ **An interactive parent-teen conversation guide** to help guardians navigate an open and candid dialogue about the rules, responsibilities and expectations of driving. We looked at how others approached this topic—parent-teen contracts and other resources—but we were left uninspired. Determined to create something helpful for our community with teen drivers, we created PURE’s Roadmap to Safer Driving. This roadmap will allow guardians to personalize the discussion by incorporating their own stories and areas of concern, turning the conversation into a collaborative exchange rather than a one-sided lecture.

We will continue to add new features and benefits to help encourage safe, confident teen driving practices while providing peace of mind to guardians. ♦



**ENROLL NOW**

The program is launching this summer. To ensure you are notified, email Katie Krum, Chief Marketing Officer at [katie@pureinsurance.com](mailto:katie@pureinsurance.com).

### Member feedback in action

In late 2023, we surveyed members with teen drivers about how we could best support them. While it was overall well received, many did express concerns about data usage and the potential impact it could have on their insurance premiums.

### PURE will not have access to your data

We are happy to share that PURE will never have access to your family’s Life360 data, so we will not (and cannot) use it to influence your premiums in any way. Our sole motivation here is to help members keep their teens safer on the roads.

CATASTROPHE RESPONSE

# SUPPORTING THE MEMBERSHIP THROUGH CATASTROPHES

*The most important commitment we have is to be there for our members when they need us most, especially as catastrophic events are happening more frequently and in areas that may surprise you.*

**G**ENERALLY SPEAKING, **INSURANCE** serves as a backstop to help you recover after the worst happens. But PURE aims to go above and beyond just your policy and serve as a reliable partner and support for you in the wake of extreme, sometimes catastrophic, events.

In the last few decades, attention toward catastrophe-prone areas was focused on a few geographies—think the Southeast and Gulf coasts for hurricanes or brushy areas of California for wildfire. However, extreme weather has shown more volatile patterns. In recent years, we’ve seen wildfires as far east as New York and South Carolina, as well as atmospheric floods in California, hurricanes in western North Carolina, tropical storm effects in New England, winter freezes in Houston and an increase in severe convective storms throughout most of the U.S.

Higher rates of inflation and urban sprawl further complicate the impact these events have. In 2024, the U.S. experienced \$117 billion in insured catastrophe losses—that’s 27% above the recent five-year average and 52% above the recent 10-year average.<sup>1</sup>

<sup>1</sup> Gallagher Re, *Natural Catastrophe and Climate Report 2024*, January 2025.

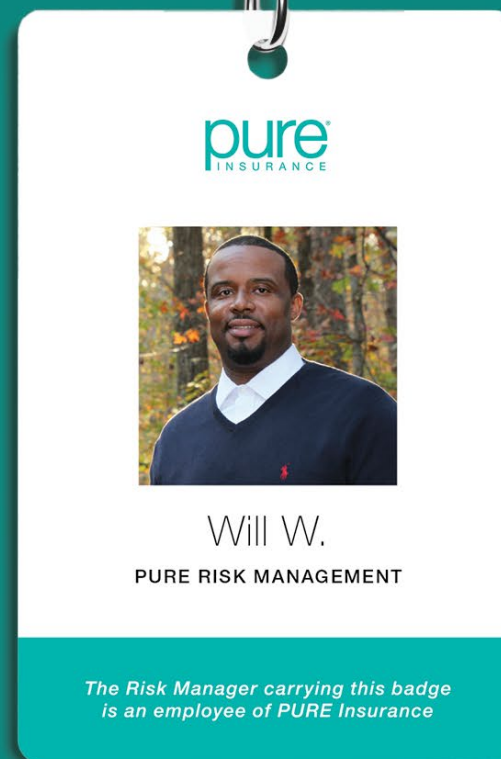
As we see extreme weather events happening with increasing severity and frequency, we are doing more to make sure we can be there for our members in times of need. While the exact steps we take vary with the unique circumstances of each event, here are some of the ways we have prepared for and shown up for our members during recent catastrophes.



## PREPARATION

### Catastrophe Modeling

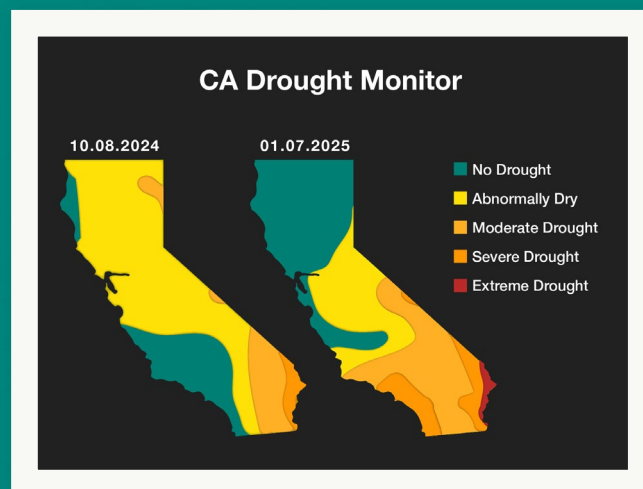
The focus of our Catastrophe Modeling team is to understand the perils and geographies that pose the greatest risk to the membership. This research helps our underwriters make sound decisions when it comes to whom we invite into the membership, helps us avoid over-aggregation in any one area and informs strategic decisions such as reinsurance purchases. By considering the question “What could happen?”, the Catastrophe Modeling team helps ensure PURE is financially stable for the long term and prepared for catastrophe events when they occur.



### Catastrophe Claims Planning

Being prepared to support members in a meaningful way during these events means being prepared for the worst and having dedicated PURE staff and vendors on hand, ready to go at a moment’s notice. Our team spends as much time responding to a particular event as they do building and maintaining partnerships with vendors and contractors across the country to ensure they will work with us, for our members, when the time comes. These are the critical vendors who can assist with providing emergency equipment and supplies, generators, fuel, art storage and transportation, tree removal, security and rental vehicles.

Having the right vendors and contractors is important, but it’s not the whole story. Another key element is ensuring our teams are properly staffed and supported on an everyday basis so that they have the capacity to jump into action during these events.



### The PURE360® Risk Management Consultation

During this home visit, a PURE Risk Manager will assess vulnerabilities and make recommendations for ways to improve resiliency, whether specific to weather, catastrophe risks or regular home maintenance. When it comes to catastrophe risks, our Risk Managers might assess defensible space for wildfire or recommend trimming or removing trees that could cause issues in high-wind or hurricane events. For everyday risks, they might advise you to add an automatic water shut-off device to reduce damage from frozen and burst pipes or let you know about pre-existing wind or hail damage that needs to be addressed.

In addition, the PURE360 aims to ensure that proper coverage and policy terms are in place and enables us to document unique custom features within homes—both of which reduce friction during the recovery process if a claim does occur.





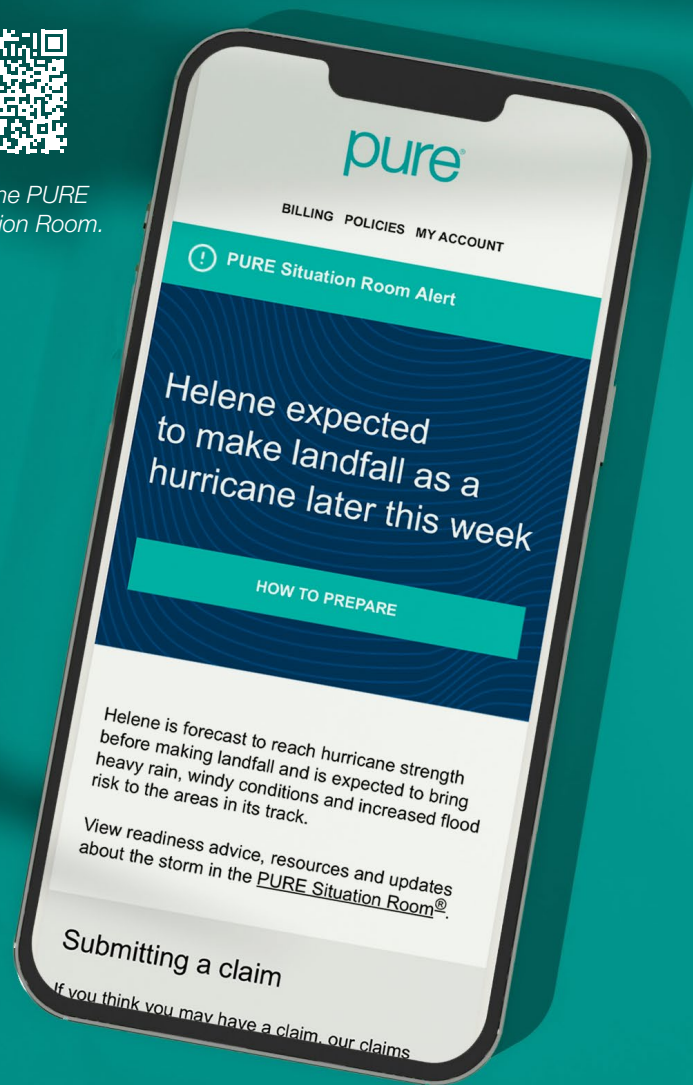
## MONITORING

### The PURE Situation Room®

The PURE Situation Room team keeps us, and our members, informed in real time about events that could impact the membership. This team conducts 24/7 monitoring of events across the country, including alerts for auto recalls, hurricanes, wildfires, home break-ins, tornadic activity, hail, cold snaps and more. When it's determined that members could be at risk, we reach out via email or phone call with advice, resources or simply to check in. We plan to introduce text messaging soon to more efficiently contact members before, during or after some of these events.



Visit the PURE Situation Room.



### PURE Corps

The PURE Corps is a dedicated group of more than 100 team members from across the organization who have raised their hands to support our membership during catastrophe events. Their everyday jobs range from underwriting and product management to accounting and human resources. During catastrophe events that have the potential to impact a large group of our members, this team of volunteers reaches out via phone and email to check in on members so that our Claims and PURE Situation Room teams can focus on being an on-the-ground resource to members.

### Trauma-Informed Care

We recognize the emotional impact and deep sense of shock that can come with a large loss. Our Claims team and others within PURE receive specialized training for emotional intelligence and trauma-informed care to ensure they can respond with empathy and compassion during what might be one of the most difficult events in a member's life.

In 2020, we brought in The National Center for Equity and Agency Inc.'s (NCEA) Certified Trauma-Informed® Insurance Professional program with Dr. Laura McGuire to introduce a trauma-informed care program that our employees and members are still benefiting from today. This course is designed to instill confidence and empathy within our claims team, providing them with awareness, strategies and communication methods to help members manage their experience and reach resolutions sooner.

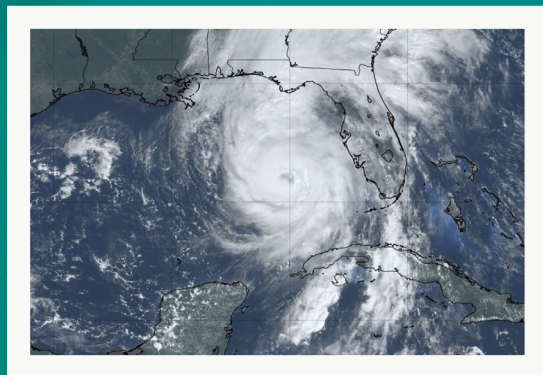
A second phase of the program, NCEA's REGROW™, was created to center on the wellbeing of our employees, highlighting the importance of positive psychology and providing tools they can use to build relationships, increase interpersonal awareness and prevent burnout when caring for others.



## RESPONDING

### On-the-Ground Catastrophe Teams

All of our catastrophe planning efforts help to set us up for success. We're often the first on the scene, putting members at ease and helping in any way we can. Depending on access, we'll deploy PURE Claims Adjusters and PURE Art Services team members along with preferred contractors to proactively inspect homes and help mitigate damage.



"I had firsthand experience with Hurricane Helene. We were trapped in our homes for three days with no power, water or outside communications. Many of us, with chainsaws in hand, were able to cut our way out at the end of day three only to find the roads outside our development were still impassable. Much to my surprise, a crew showed up at our neighbor's house to remove trees from their roof and temporarily patch a big hole in the roof. This crew was hired by PURE. They worked tirelessly and were the first relief crew to make it to our area."

Mike S., member since 2019

## Meet some of the PURE Corps team



**Kris Wieckowski**  
Senior Territory Manager

Kris is a Senior Territory Manager in California with more than 20 years of experience in the insurance industry. He holds a degree in Human Development from Cornell University, where he was a four-year letter winner with the Men's Ice Hockey Team. Kris currently serves on the board of Pro Kids of San Diego, where he devotes his time to positively impacting the lives of local youth through education and the game of golf. In his spare time, Kris enjoys spending quality time with his family, coaching youth hockey and playing golf.

“ Being able to speak with PURE families to check on their wellbeing, while providing support, guidance and an overall sense of security is extremely rewarding.



**Julie Joyce**  
Underwriting Manager

Julie is an Underwriting Manager for the Gulf Region, overseeing PURE's underwriting practice in five states. She has been in the high net worth space for more than 15 years. Julie graduated from Illinois State University with a degree in Insurance. When she is not working, she enjoys spending time with family and friends, attending sporting events, listening to live music, going to Pilates or planning her next trip.

“ Interacting with our members and playing even a small part in their recovery from devastating events has been the most rewarding part of my career.



## CATASTROPHE RESPONSE IN ACTION: THE LOS ANGELES WILDFIRES

**ABOVE-AVERAGE RAINFALL** during the winters of 2022–2023 and 2023–2024 caused an abundance of vegetation growth in the Los Angeles area. This was followed by a sudden, severe drought causing that new vegetation to dry. The overgrown, dry vegetation, combined with strong Santa Ana winds and an ignition source that is still to be determined, was the recipe for disaster with these devastating fires.

### Our Response

As wildfires were breaking out in Los Angeles, we were quickly mobilizing to support the membership. Our Claims and PURE Corps teams made hundreds of proactive calls to members in the path of the fire, and we sent 18 dedicated adjusters to the area to provide in-person support. The PURE Art Services team was also deployed to assist in the inspection and handling of fine art and collections claims and to coordinate the transportation of art out of harm's way where possible.

From the start, our Situation Room team was closely tracking the fire as well as monitoring the response of local fire departments and road access. They used this information to identify potentially impacted members and manage the deployments of our wildfire defense partner, Capstone. We had seven response trucks dedicated to helping our members—the first of which was deployed within an hour of when the fire was first reported, around the same time that local fire departments began their response. Capstone visited more than 200 of our members' properties to check in and take preventative measures.

On the scene, our Claims team worked to uncover precious family items from the

debris and one adjuster even drove eight hours round-trip to meet a member face-to-face when he sensed that there was confusion over coverage and next steps.

In the aftermath of the fire, we were focused on showing up in meaningful ways for our impacted members, especially those who experienced damage or, in some heartbreaking cases, the total loss of their home. Our Senior Claims Leadership was on the ground in California to meet with members and brokers and ensure that claims were off to a smooth start. Our Claims team inspected all losses and advanced payments to members within two to three weeks, in many cases before other carriers were even in the area.

We also worked to contract a leading hygienist from UCLA to assist in the remediation of homes that were damaged by smoke and ash, as well as three high-end custom home builders who were writing rebuild estimates for our members within weeks of the fires.

While we still have work to do to make all of our impacted members whole again, we are proud of our Claims team and other staff for the ways in which they showed up for the membership. We are also grateful to all the first responders who worked tirelessly to contain the fires. ♦

CHARITABLE INITIATIVES

# CARING FOR OUR COMMUNITIES

*Giving back to our communities has been central to PURE's culture from the start.*

**B**Y SUPPORTING OUR employees' diverse charitable passions, we strengthen their connection to PURE and empower them to honor the communities in which they live and work.



PURE employees volunteering in their local communities.

"Feeding Westchester is our home base for giving back to our community. Every time we go, we not only show up to work but also have an absolute blast doing so. Whether it's engaging in friendly competition during our competitive packing sessions or preparing nutritious snack bags for participating neighborhood schools, the experience is always rewarding and full of fun."

*Contessa Lestingi, PURE White Plains Office Manager*

"Working with Roc Solid has been an incredibly heartwarming experience. As a parent, I connected with their mission, and there is no greater joy than bringing a smile to a child's face. It has been an honor to help them 'build hope!'"

*Michael Pritt, PURE Senior Claims Analyst*

"We are so grateful for the support and amazing amount of time and energy you all have put towards healthier waterways, rivers and creeks."

*Harriott Parker, Director of Development & Stewardship, Charleston Waterkeepers*

**3,400+**

**hours spent giving back**

through our Volunteer Time Off (VTO) program

**200+**

**matched donations**

to organizations our employees value the most

**40+**

**organizations supported**

by our employees

## Supporting communities impacted by Hurricane Helene

After Hurricane Helene struck the eastern U.S., PURE sprang to action, not only to support our members but the broader impacted communities as well. Our employees raised funds and gathered essentials like bottled water, baby formula and ready-to-eat food. The PURE Insurance Foundation, which provides monetary support to amplify the philanthropic desires of PURE employees, donated \$10,000 to the World Central Kitchen's Helene fund. By working closely with local organizations and leveraging our resources, we aimed to provide immediate relief and demonstrate our unwavering commitment to standing by our members when they need us most.



PURE employees accept the First Tee Founders Award at the non-profit's Biennial Summit in Phoenix, Arizona.

### THE PURE INSURANCE CHAMPIONSHIP IMPACTING FIRST TEE

Since 2017, we have proudly served as the title sponsor of The PURE Insurance Championship, a PGA TOUR Champions event, held annually at the famed Pebble Beach Golf Links. Together with the AT&T Pebble Beach Pro-Am, these events raise millions each year to support hundreds of non-profit organizations. Among them is First Tee, an organization that positively impacts the lives of young people by promoting character development and life skills through golf and education.

To further our impact, in 2021 we launched the PURE Insurance Scholars Program, which provides

financial assistance and mentorship opportunities to a junior playing in the tournament each year. To support the program, we pledged to raise \$1 million over five years, and, thanks to the generous donations made by our employees, brokers and other partners, we were able to reach that amount in just four years.

Our support of First Tee and all the incredible work that it does to shape remarkable young leaders is a source of pride for us. We were honored to recently receive the First Tee Founders Award, which recognizes individuals and companies who have made significant contributions to the organization and are excited to extend our support of the tournament through at least 2029. ♦



Hanna Stouder, of First Tee – Greater Sacramento, is surprised during the 2024 PURE Insurance Championship with the news that she was selected as a PURE Insurance Scholar. Among her many accolades and achievements, she launched Hannah's Care Closet, which provides food, clothing and hygiene items to kids in need.

## OUR COMMITMENT TO SUSTAINABILITY

We are committed to creating a safe and sustainable future, and we furthered this mission through various initiatives in 2024.



### RESTORING WATERWAYS

To help keep waterways clean, employees from across the country partnered with organizations like Charleston Waterkeeper and Riverkeeper in New York to implement solutions aimed at reducing pollution and restoring ecosystems.



### REDUCING CARBON EMISSIONS

As a 100% carbon-neutral company, we continued this effort by offering commuter stipends to our employees and investing in hybrid vehicles for our company fleet.



### INVESTMENT CONSIDERATIONS

Within PURE's investment portfolio, we partner with an investment manager focused on the climate infrastructure sector targeting investments in assets and companies that will benefit from a transition away from fossil fuels in North America and promote clean energy and energy efficiency.

**1,100+**  
pounds of waste removed from waterways



### REDUCING PLASTIC AND PAPER WASTE

We reduced in-office waste through composting and sustainable beverage options; transitioned our Annual Report to primarily electronic delivery, with a small number of copies being printed on 100% recycled paper; and encouraged members to utilize paperless delivery for their policy documents and bills.

**1,231** pounds of waste were composted by our Charleston office in 2024



#### GO GREEN

Join the nearly 75% of members who have already signed up for paperless delivery in your online account or on the PURE Insurance mobile app.



# AWARDS

*We are honored to receive some of the premier awards in the wealth management and insurance space. But the greatest achievement of all is the loyalty and accolades we receive from our members.*

“



This situation was a massive blow, a huge stressor and a burden but y'all were thoughtful, thorough and caring...Y'all treated me like a friend through all of this.

Don W., member since 2017



“

This was truly an amazing process and completely opposite of what I expected as part of my first use of insurance. I thought I would have to be fighting to represent my home and policy and instead, you represented me with thoughtful and insightful analysis, help and communication.

Brandon R., member since 2021



“  
Rarely does one have a wonderful experience with their insurance company...However, it has been a wonderful experience...Our adjuster was so kind and efficient that we were made to believe PURE was simply the best insurance company on planet Earth.

Laura & Robert K., members since 2023

“



As a fellow insurance industry colleague, I know there is a broad range of claims handling service, and I'm very happy I'm with PURE!

Amy S., member since 2018



*the*  
NUMBERS

YOUR INSURANCE  
COMPANY'S  
RESULTS IMPROVED  
SIGNIFICANTLY IN 2024.

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**The Membership** / We welcomed nearly 9,500 responsible, successful individuals and families to PURE in 2024, growing the membership to more than 115,000. Retention remains strong, with 95.7% of those who were offered the opportunity to renew their policies with PURE choosing to do so. We continue to invest in loss prevention and feel confident that our membership shares our commitment to act responsibly and take proactive measures to protect their homes and other assets.

**Financial Strength and Stability** / PURE strengthened its financial position in 2024. Direct written premiums grew steadily, and improved underwriting results contributed to a more favorable combined ratio. With surplus and assets at all-time highs at year-end, the reciprocal has never been stronger. PURE remains open to new business across the country and is actively welcoming new responsible members—today and for the foreseeable future.

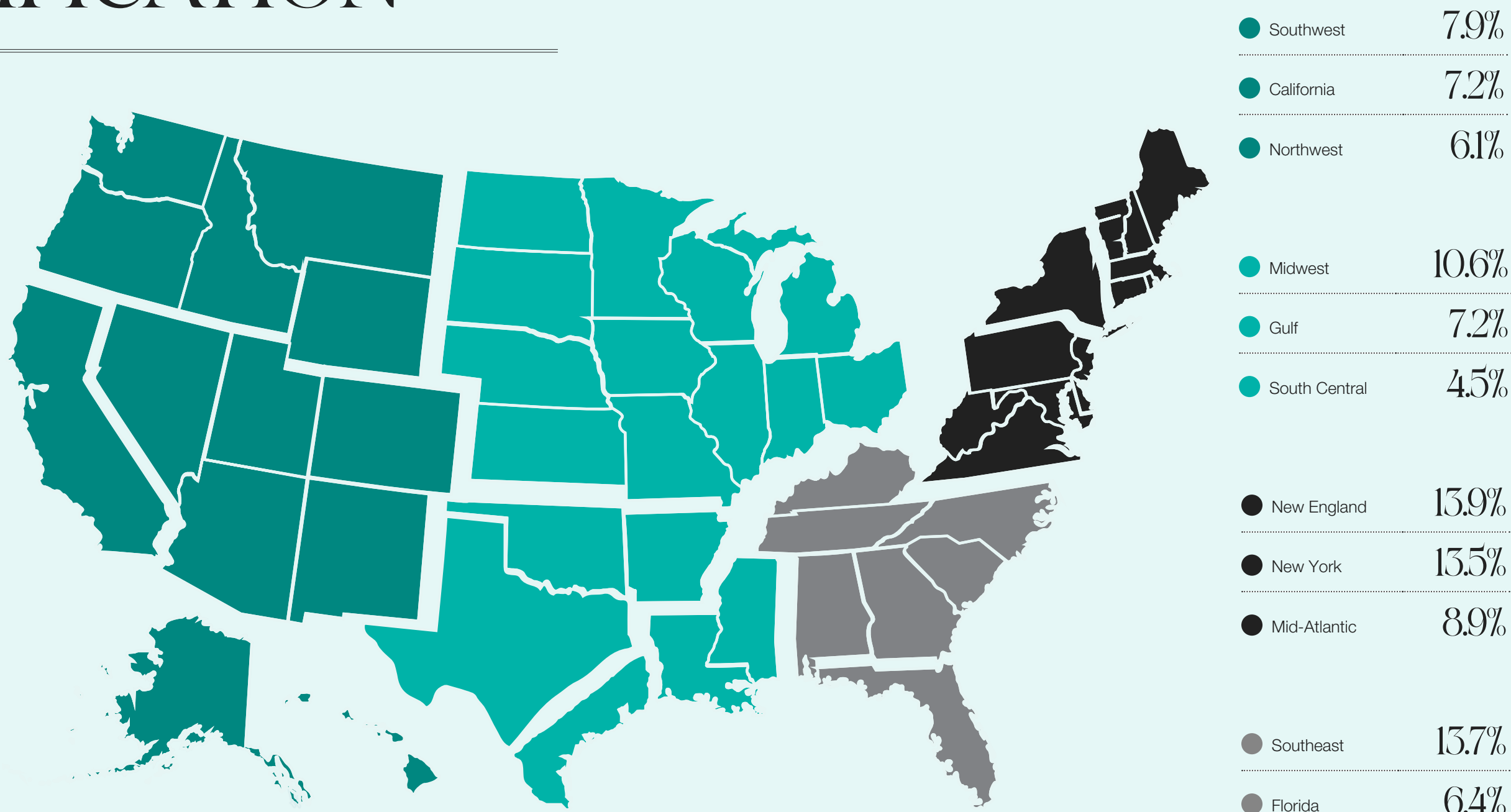
# GEOGRAPHIC DIVERSIFICATION

**WE WORK DILIGENTLY** to ensure we do not become over-aggregated in any one area. This can help reduce the severity of a catastrophic event in relation to the overall company. Through disciplined underwriting and a commitment to diversifying the membership over the years, we remained open for business in 2024, even in those hard-to-insure geographies, like Florida and California.

In September 2024, we opened for business in Canada.  
[Read more on page 54.](#)

## INSURED HOMES BY LOCATION

Numbers displayed may not add up to 100% due to rounding. Insured homes by location excludes business written in Canada.



# PRODUCT DIVERSIFICATION

**NEARLY EVERY MEMBER** has a homeowners policy with PURE. The rest of our product mix is well balanced, which helps to spread risk and gives us confidence that members are well covered for the risks they face.

Bundling policies with one carrier can provide a better, more seamless account management and claims experience and help reduce gaps in coverage. For example,

our excess liability coverage is intended to pick up at the dollar amount where our primary policy (homeowners, automobile or watercraft) ends, reducing coverage gaps and out-of-pocket expenses.

If you don't already have these important coverages, contact your broker to learn more.

## PERCENT OF MEMBERSHIP THAT PURCHASES EACH PRODUCT



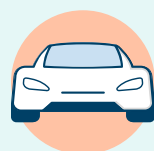
84.8%

**Excess Liability** / The cost of excess liability claims has been rising steadily, well above economic inflation, according to industry data. This is a trend that PURE has seen in recent years as well. Having adequate excess liability limits is increasingly important, especially in a heightened loss-severity period such as in today's casualty environment. Read more on page 28.



74.0%

**Collections** / Whether it's fine art, jewelry, wine, sports memorabilia or anything in between, high value items are often best protected by a collections policy. PURE's Collections policy offers scheduled (itemized) coverage for pieces with known values and blanket coverage for wider collections of lower-value items. It also includes in-house fine art experts, protection against market increases and flexibility when it comes to adding new jewelry to your schedule.



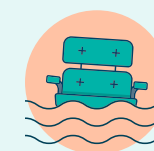
67.5%

**Auto** / Having your automobile and excess liability insurance through the same carrier can provide more complete coverage when you need it most. For example, in the event of a serious injury resulting from an auto accident, medical bills quickly add up. Your PURE Automobile policy's Uninsured/Underinsured coverage would likely provide reimbursement for the costs beyond what the at-fault driver's policy would cover (if they have coverage at all). For costs above that, PURE's Excess Liability coverage may apply.



46.3%

**Fraud & Cyber** / Losses from fraud in the U.S. are at an all-time high. According to the FTC, a record \$12.5 billion was lost to scams in the U.S. in 2024, an increase of over \$2.0 billion from 2023. High net worth individuals are often at greater risk due to their lifestyles and assets. The percentage of the membership enrolled in this important coverage has been steadily increasing over the years.



12.1%

**Flood** / Less than 25% of members with homes insured in high-risk flood zones have a flood policy with PURE (and just 12.1% of the membership more broadly), indicating that many may be exposed to this risk. We are excited to see more of this important coverage placed as we roll out a new comprehensive solution in 2025. Learn more on page 18.



7.2%

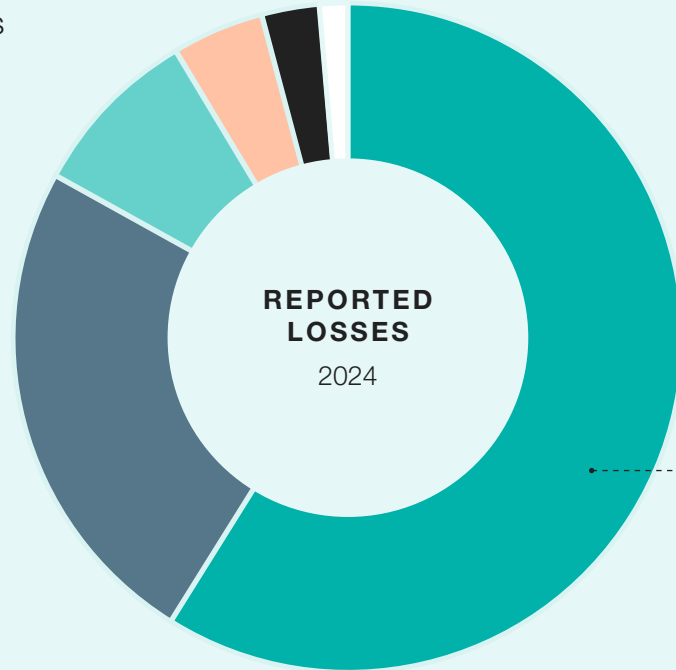
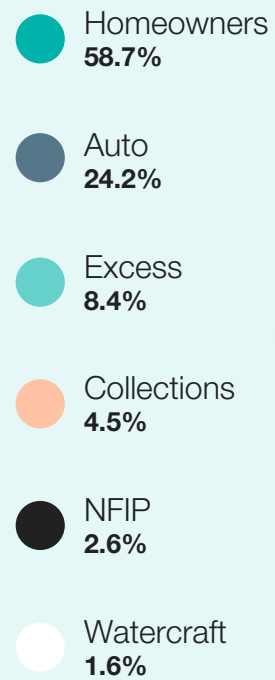
**Watercraft** / Among the 15% of members who have a watercraft listed on their excess liability policy, less than half have a watercraft policy with PURE, indicating that others either self-insure or have coverage through a standard carrier. PURE'S Watercraft policy offers broad coverage with features that may not be available through the standard market. This includes agreed value, which provides certainty in the event of a total loss; use of a temporary suitable watercraft if your vessel is out of use for more than 14 days; coverage for tenders and personal items; hurricane haul out and storage; coverage for search and rescue; and more.

# CLAIMS

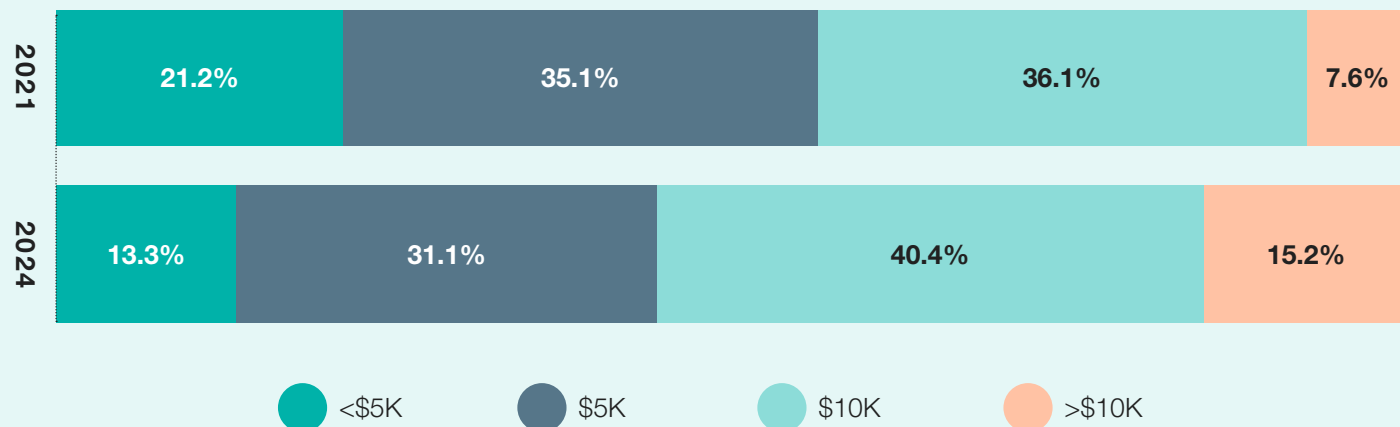
**IN 2024**, we responded to more than 33,000 claims and earned a CSAT (claims satisfaction score) of 91%, which is considered exceptional.

Our most important goal is to promptly and efficiently restore members after a loss. We also aim to help prevent or mitigate the impact of losses where possible. While we continue to see an increase in the overall severity of claims, driven by factors like inflation and extreme weather, we were pleased to also see a reduction in the frequency of non-catastrophe-related claims in 2024. Prevention plays a part in this, but it can also be attributed to members sharing more risk in the form of higher deductibles (an easy way to help lower their premiums).

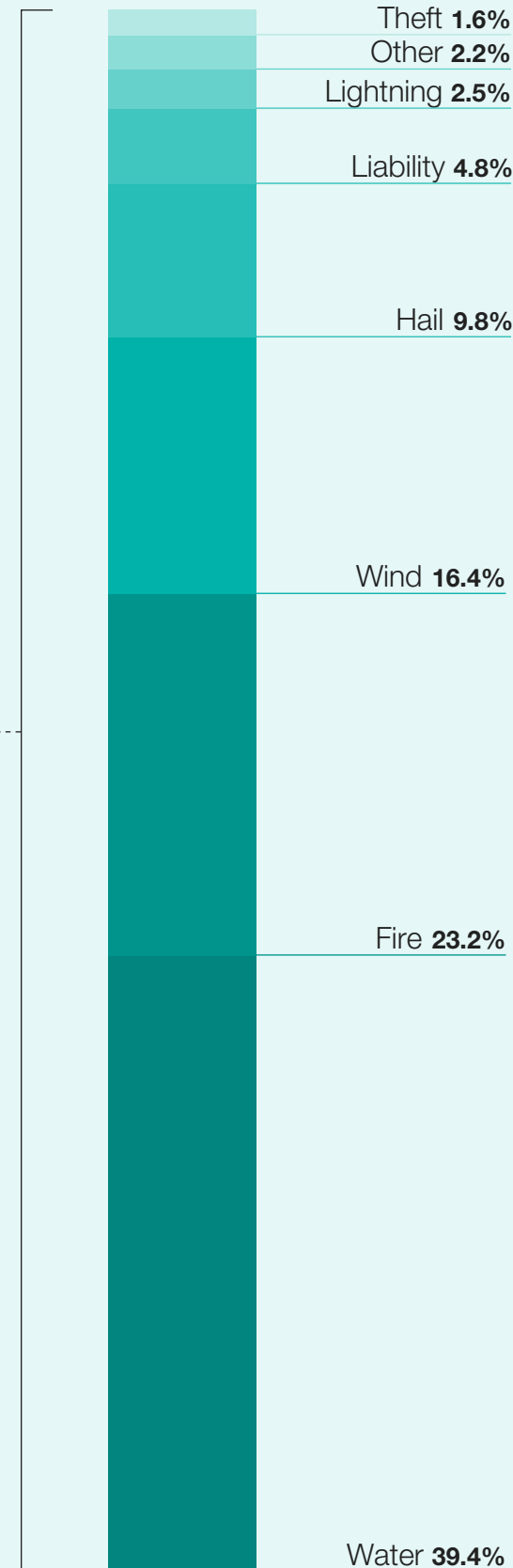
All things considered, we are optimistic about this downward trend.



## DEDUCTIBLE SELECTION ACROSS THE MEMBERSHIP



## HOMEOWNER REPORTED LOSSES BY LOSS CAUSE



Fire and water still top the list for loss causes, but a more favorable trend is emerging: a decline in the frequency of these claims.

**Fire** / While fires accounted for more than 20% of all homeowners claims costs in 2024, there was a 37% decline in the frequency over the prior year. Given the danger associated with fire, even one loss is one too many. Learn how to reduce your risk of home fires on page 30.

**30,000+** members have enrolled in our Ting program to reduce the risk of electrical fires.

**Water Damage** / We were pleased to see a 24% decrease in the frequency of water losses in 2024. Still, the majority of these claims tend to be ones that can be prevented. Learn how to reduce your risk of water damage, along with the hassle and disruption they can cause, on page 16.

Since 2020, the number of members with a water shut-off device has nearly **doubled.**

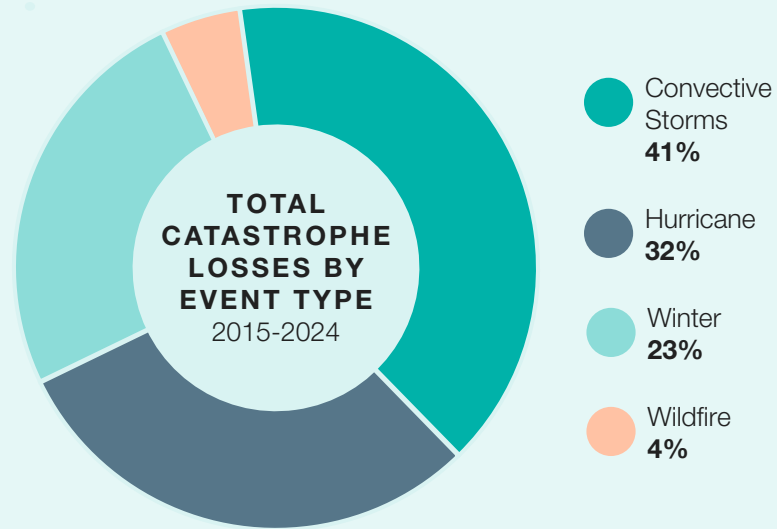
The best claims experience—no matter how good our service is—is the claim that never happens. By working together, we can make progress in reducing the occurrence of preventable claims, which is the first step in making sure premiums remain fair and reasonable. Thank you to those members who have already taken proactive steps to help reduce your risk.

# CLAIMS

## CATASTROPHE CLAIMS

While we can't prevent catastrophes like hurricanes and wildfires from happening, we are here to help our members mitigate the damage and recover in the wake of these devastating events. We also use careful underwriting guidelines to reduce the overall impact of these events on the membership.

Convective storms have been the costliest natural disaster for the membership over the years. In 2024, PURE responded to 60 major convective storms. The resulting damage was more than \$83 million.



## SUBROGATION

Successful **subrogation** helps to improve the company's overall operating results, reduce the cost of insurance premiums and reimburse members for their deductibles in some instances. In the event of a claim, here are some things you can do to help in our efforts:

1. Promptly take photos or videos.
2. Preserve damaged parts. (For example, if you have a water damage claim from a leak, it is important to keep pipes or water supply lines.)
3. Keep detailed records.

**\$50M** was recovered by PURE from at-fault parties through subrogation efforts.

## LOSS PREVENTION BENEFIT

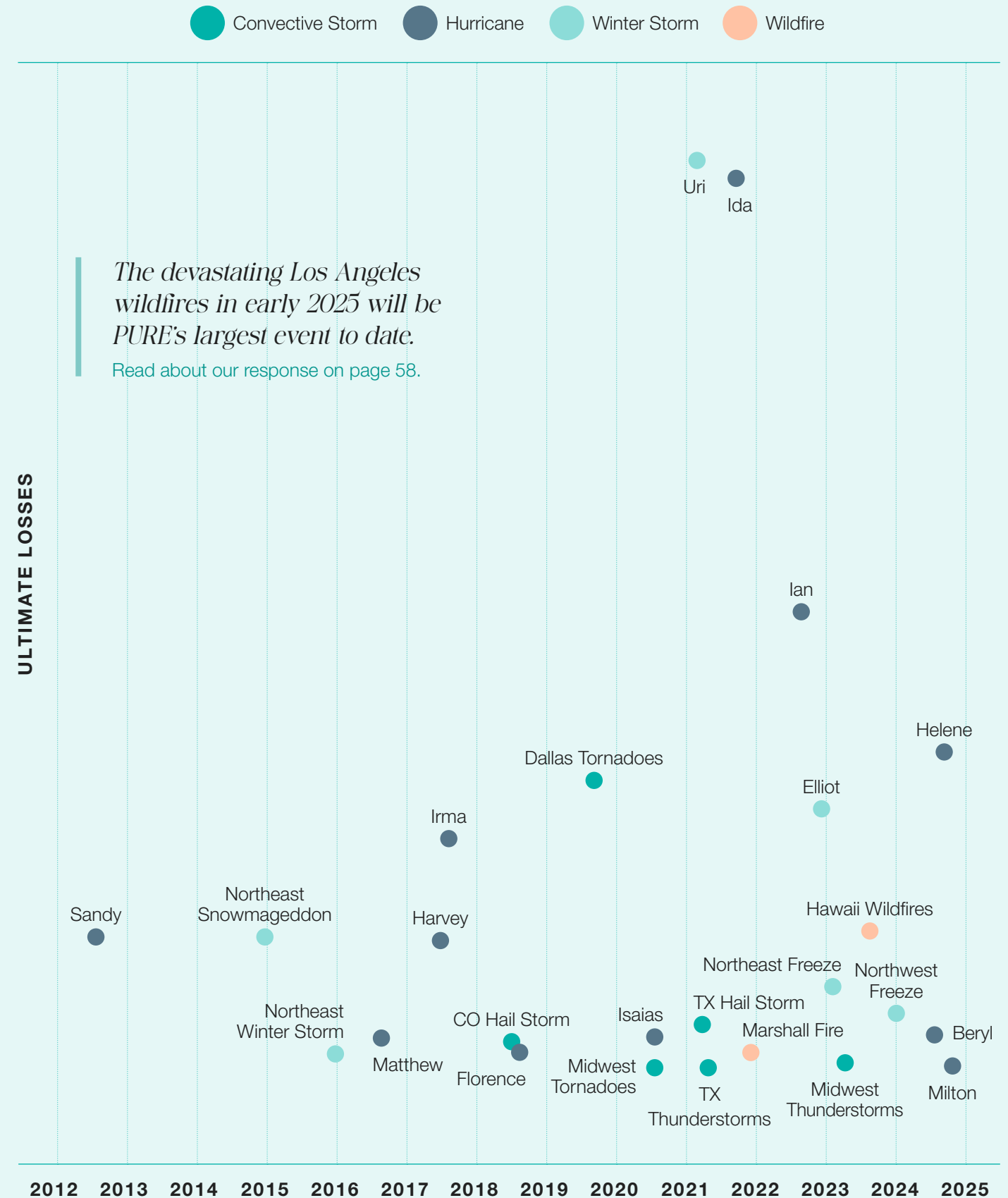
If you experience a covered homeowners claim of \$10,000 or more, your policy includes a Loss Prevention Benefit under which PURE will contribute up to \$2,500 to help you invest in technology or services intended to reduce the likelihood of a similar loss happening again.<sup>1</sup>

**\$1.1M** invested alongside members in 2024 through the Loss Prevention Benefit.



**Subrogation** is the legal process by which insurers recover costs from an at-fault third party that bears some or all responsibility for damages.

## MAJOR CATASTROPHE EVENTS IN PURE'S RECENT HISTORY



The devastating Los Angeles wildfires in early 2025 will be PURE's largest event to date.

[Read about our response on page 58.](#)

# FINANCIAL STRENGTH

## DIRECT WRITTEN PREMIUM

Direct written premiums increased by 16% in 2024.



\$1,825,135,151  
\$2,078,619,416  
\$2,411,597,148

## PURE'S COMBINED RATIO

PURE's **direct combined ratio** improved considerably compared to the prior three years, which were adversely impacted by inflationary trends and severe weather. This improvement is due in large part to our stricter underwriting guidelines, pricing enhancements to better match rate with risk, proactive loss prevention measures and management's efforts to reduce operating costs.

As noted by Martin Leitch in his Letter from the CEO on page 7, after factoring in PURE's valuable reinsurance protection and the pooling agreement in place with PSE, PURE essentially broke even with a 100.4% **net combined ratio**.

## DIRECT COMBINED RATIO

2022 106.1%  
2023 102.2%  
2024 93.8%

## IMPACT OF SURPLUS CONTRIBUTIONS

In 2024, members made \$77 million in **surplus contributions**. Once a member reaches their fifth renewal, they no longer pay surplus contributions. In 2024, more than 10,000 members passed this milestone.

60%

of members have been with us for more than five years and no longer pay surplus contributions.

## POLICYHOLDER SURPLUS

PURE's **policyholder surplus** strengthened in 2024 by \$79 million due to improved underwriting results, surplus contributions and favorable investment income. Tokio Marine funded an additional \$75 million through the purchase of surplus notes.

2022 \$547,574,682  
2023 \$660,985,763  
2024 \$814,617,501

# REINSURANCE

**WE PARTNER WITH** well-rated and well-established **reinsurance** companies to provide large limits and catastrophe capacity. PURE is well protected by reinsurance for catastrophe events. Beyond the premiums

PURE collects, PURE's policyholder surplus and reinsurance, PURE benefits from the financial backing of Tokio Marine, a top-10 global insurance company.



**Direct combined ratio** measures losses and expenses against premiums to help evaluate underwriting results, without factoring in reinsurance.

**Net combined ratio** measures losses and expenses against premium, after accounting for the impact of reinsurance, to help evaluate underwriting results. A net combined ratio less than 100% typically means an insurer is collecting more in premiums than it pays out in claims and expenses, an indicator of overall profitability.

Members make **surplus contributions** in each of their first five years of membership. These funds help to build policyholder surplus, which reduces the cost of capital and, in turn, helps lower the cost of insurance in the long run.

**Policyholder surplus** represents funds that allow an insurer to meet all its obligations beyond premium, reserves and reinsurance.

**Reinsurance** is "insurance for insurance companies." It helps insurers manage risk, especially related to large or catastrophic claims.

# INVESTMENTS

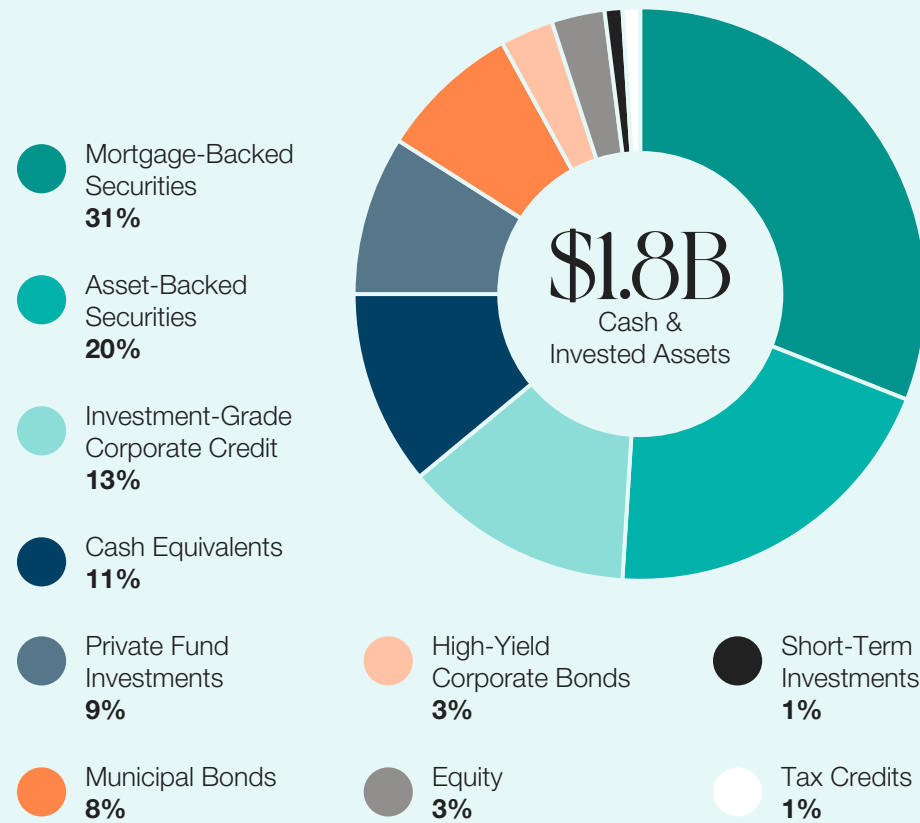
## IT WAS ANOTHER

challenging year for bond investors. Interest rates trended lower during the first nine months of the year but reversed course as 2024 ended. In the fourth quarter, rates rose and investment-grade bond prices fell, returning only 1.3% overall for 2024, as measured by the Bloomberg Barclays Aggregate Bond Index. Alternatively, U.S. risk-asset returns were strong for 2024, driven primarily by better-than-anticipated economic growth. U.S. equities, measured by the S&P 500 Index, were up 25% for the year and below investment-grade credit indexes returned between 8% to 9% on average.

While PURE has a very conservative asset mix, it generated statutory investment income of \$78.3 million in 2024. In total, cash and investment assets increased by \$439.2 million through positive cash flow, net investment income and capital appreciation.

We remain focused on the dual mandate of protecting PURE's investment assets and generating income to support its insurance operations.

### INVESTMENT MIX



### STATUTORY INVESTMENT INCOME

*Includes investment expenses but excludes interest paid on surplus notes.*



# BALANCE SHEET

Dollars in thousands.

THE  
NUMBERS

PURE	2024	2023	Change	Variance
<b>Total Cash &amp; Invested Assets</b>	\$1,816,619	\$1,377,370	\$439,249	32%
<b>Net Accounts Receivable</b>	\$705,235	\$678,633	\$26,602	4%
<b>Other Assets</b>	\$13,936	\$9,762	\$4,174	43%
<b>TOTAL ASSETS</b>	<b>\$2,535,790</b>	<b>\$2,065,765</b>	<b>\$470,025</b>	<b>23%</b>
<b>Unpaid Losses &amp; LAE</b>	\$668,224	\$522,548	\$145,676	28%
<b>Accounts Payable &amp; Accrued Expenses</b>	\$58,142	\$70,624	(\$12,482)	(18%)
<b>Unearned Premiums</b>	\$541,690	\$430,421	\$111,269	26%
<b>Reinsurance Payable</b>	\$227,868	\$203,078	\$24,790	12%
<b>Other Liabilities</b>	\$225,248	\$178,109	\$47,139	26%
<b>TOTAL LIABILITIES</b>	<b>\$1,721,172</b>	<b>\$1,404,780</b>	<b>\$316,392</b>	<b>23%</b>
<b>Surplus Notes</b>	\$757,000	\$682,000	\$75,000	11%
<b>Member Surplus Contributions</b>	\$537,272	\$460,314	\$76,958	17%
<b>Subscriber Savings Accounts</b>	\$84,499	\$89,885	(\$5,386)	(6%)
<b>Unassigned Surplus &amp; Other</b>	(\$564,153)	(\$571,214)	\$7,061	N/A
<b>SURPLUS AS REGARDS TO POLICYHOLDERS</b>	<b>\$814,618</b>	<b>\$660,985</b>	<b>\$153,633</b>	<b>23%</b>

# EXECUTIVE TEAM



**Martin Leitch**  
*Chief Executive  
Officer*



**Dave Logan**  
*President*



**Jeff Paraschac**  
*Co-Founder  
& Chief  
Financial Officer*



**Katherine  
Richardson**  
*Chief Human  
Resources  
Officer*



**Mark Galante**  
*Chief Growth  
Officer*



**Lindsay  
Holden**  
*Head of  
Distribution  
& Sales*



**Katie Krum**  
*Chief Marketing  
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**Dea Malollari**  
*Chief Risk  
Officer &  
Chief Actuary*



**Jason Metzger**  
*Head of Risk  
Management*



**Kirk  
Raslowsky**  
*General Counsel*



**Drew Saad**  
*Chief  
Underwriting  
Officer*



**Matt  
Schreibeis**  
*Head of  
Business  
Transformation*



**Chris Sevdalis**  
*Head of  
Canada Branch*



**Kristen Vicino**  
*Head of Service*



**Derek Zahn**  
*Chief Claims  
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**ATTORNEY-IN-FACT**  
*PURE Risk Management, LLC (a wholly owned subsidiary of  
Privilege Underwriters, Inc.)*

**AUDITOR**  
*PwC | New York, NY*

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HCC*

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*Vice President Director, Co-Head of International Business,  
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compelling that our  
members never  
want to leave.*

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