

Serving the Underserved:

The Complete History of Tuscarora Wayne



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This history of Tuscarora Wayne, originally chartered as the Farmers' Mutual Fire Insurance Company of Tuscarora, was written in anticipation of its 150th anniversary on September 7, 2024.

A special thanks to:

*Wes and Mary Skillings for
researching and capturing our history
as written by Wes Skillings and
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sharing the historical pictures and memories*

“The best way to predict your future is to create it.”

-Abraham Lincoln

The following story of the facts, history, and legacy of the Farmers’ Mutual Fire Insurance Company of Tuscarora is hereby dedicated to the founding fathers of the organization; William Shumway, Roy L. Blocher, J. Walter Mitten, James W. Chadwick, and Jay W. Chadwick. These men took the dream of a small group of rural Pennsylvania farmers in 1874 and built upon it year after year until it eventually grew into the organization that it is today.

William Shumway, along with the rest of the original group of farmers, saw a need in their community. Determined to make their town a safer place, these individuals formed the Farmers’ Mutual Fire Insurance Company of Tuscarora in 1874. Shumway served as the board’s president from 1874 until 1920. Alongside Shumway, in later years, was Roy L. Blocher. After Shumway’s years at Farmers’ Mutual, he passed the proverbial torch to Blocher, who served as the company’s secretary from 1912 until 1954. Blocher’s administration continued to grow the company, and expand its reach. After Blocher came J. Walter Mitten. Mitten led the company as secretary from 1954 to 1962. While in office, he was

determined to see the dream of those early farmers continue to grow, and with his leadership, it did just that. James W. Chadwick is next in line. Chadwick spent 30 years (1962-1992) as the president and chief executive officer, and in that time, his administration propelled Farmers’ Mutual, later renamed Tuscarora-Wayne Mutual Insurance Company, into the new age. Upon retiring, the reins of leadership were handed to Jim’s son, Jay W. Chadwick. Chadwick is continuing what his father and others started and has kept the company at the forefront of the insurance world.

What started as a group of farmers worried about the next lightning storm has been nurtured into a thriving corporation. For these years of success, we dedicate this book to the men who oversaw and led Farmers’ Mutual Fire Insurance Company of Tuscarora into the future of insurance. William Shumway, Roy L. Blocher, J. Walter Mitten, James W. Chadwick, and Jay W. Chadwick, thank you for all your dedication to, time invested in, and belief in this company.

Dedication written by Emily Lewis

**The best way to predict your future
is to create it.**

-Abraham Lincoln



This mural depicts the history of the Farmers' Mutual Fire and Storm Insurance Company of Tuscarora. The mural is 19 ½ x 4 ½ oil on linen, painted by Brian S. Keeler in 1987. The mural hangs in the company's Wyalusing office in the "John J. Griffin" Board room.



Description of mural from left to right:

William Shumway, founder and president of the Farmers' Mutual Fire Insurance Company of Tuscarora, surveys the Shumway Home on Spring Hill, housing the company's original office in 1874.

The 1920 board of directors: Nick Snyder, Roy Blocker, Frank Ackley, Peter Learn, George Lyon, Leslie Barns, Frank Homet, Newton Morrow, Leonard Tyler, Fred Layman, and Ralph Browning, look to the company's growth in size and geographic area, the mergers and acquisitions.

Returning to their farms on Spring Hill, Tuscarora Township, after a gala affair, these gentlemen pulled into the barn of William Shumway to escape a bad storm. There, they reflected on what they would do should their property be damaged or destroyed.

William Shumway, second from left, would become the company's first president, Beebe Wood would become the treasurer, Archie Sumner, secretary, and John Black, agent. The ray of sun in the background symbolizes the company's new office.

James W. Chadwick was named the company's chief executive officer in 1962. The company's Wyalusing Pennsylvania office was remodeled in 1987.



Tuscarora Wayne

TIMELINE

1874

Chartered as the Farmers' Mutual Fire Insurance Company of Tuscarora. Archie Sumner is the original secretary (essentially Chief Executive Officer). John Henry Black is the first agent, and William Shumway is the first board president. Note: Although Black and later Ferris Ackley were paid as agents (sellers of the insurance) in the early days, all board members could sell and upgrade policies. Captive agents and independent agents selling property and casualty coverage would come much later.

1897

Motto approved at annual meeting: "Not who is desirous to join the company so much as whom does the company desire as a member."

1902

In its annual meeting in January, the board moves to consider changing the charter to allow payment to insured for "damage done by lightning to buildings or to stock on the premises when fire does not ensue (or) reports but little progress." It is later confirmed by vote in subsequent meetings of the directors with the stipulation "stock killed by lightning." In 1890, paying for damages from lightning when there is no fire was voted down.

1912

Roy L. Blocher takes over for Archie Sumner as secretary.

1942

The board members come to the conclusion that they will no longer pay fire claims on buggies, platform wagons, and harnesses as destroyed farm equipment. The consensus is that they have become obsolete for progressive dairy operations.

1948

Company's assets approach \$125,000.

1952-1955

Company takes up temporary headquarters on Main Street in the Taylor McCarty building (now Wyalusing Community Building). The business office moved from the Spring Hill home of Secretary Roy Blocher, where it conducted company business for four decades. Construction begins on new building along Route 6.

1954

Roy Blocher dies after more than forty-two years as secretary. J. Walter Mitten takes over that position in the same year that Hurricane Hazel devastates the area in October.

1955

Jim Chadwick is hired by Walter Mitten as the company's first captive agent.

1962

Mitten retires as secretary and Jim Chadwick takes over as the company's secretary, the chief administrative post, the fourth to hold that position over a span of eighty-seven years. The captive agent system thrives under Chadwick for more than a decade, but he also presides over the growing pains of moving toward a sales force of independent agents. Chadwick is responsive to the need for reinsurance, which becomes a force in the industry, starting with AMRICO (American Reinsurance Company) out of Chicago and then Munich Re, which provides catastrophic coverage.

1963

Farmers' Mutual changes its name to Tuscarora Mutual Insurance Company after merging with Susquehanna Grange Mutual Insurance Company of New Milford, PA, and the Abington Mutual Fire Insurance Association of Clarks Green, PA.

1966

At the start of the year, there is a force of forty agents, each with his own turf. This included a group who joined the operation following the merger of the Susquehanna Grange. Lew Reinhart joins the company as controller (business manager).

1969

Tuscarora Mutual merges with Main, Beaver and Black Creek Mutual Fire & Storm Insurance Company of Bloomsburg, PA.

1971

There is a change to paying premiums prior to the coverage year instead of at the end (post assessment). The previous system had almost caused a financial crisis in 1955 when catastrophic damage claims had to be paid for the devastation of Hurricane Hazel in mid-October 1954. Directors had to step in and fund the claims with personal bank loans.

1973

Tuscarora Mutual consolidates with Wayne County Farmers' Mutual Insurance Company of Honesdale, PA, and is subsequently renamed Tuscarora-Wayne Mutual Insurance Company. The two companies were of comparable size, with Wayne claiming about \$700,000 in premiums. This marks the start of a period of transformation from the captive agent system to selling through independent agencies, several of them now thriving agencies owned by former captive agents. In 1973, there were several dozen agents on the list coordinated by Roger Madigan, who went on to be state representative, state senator, and candidate for Pennsylvania lieutenant governor.

1974

In this, the centennial year, the company is comprised of the following companies: Abington Mutual; Farmers Mutual; Main, Beaver and Black Creek; Susquehanna Grange Mutual; Tuscarora-Wayne Mutual; and Wayne County Farmers Mutual. Tuscarora-Wayne Mutual Insurance Company is represented by seventy-four agencies, a fitting number considering the year.

1977

The company claims about \$3.5 million in business at the start of the year.

1982

Jim Chadwick's title is officially changed via board approval to president/chief executive officer. John Griffin, board president, who initiates this action, has his title changed from president to chairman of the board. This leads to Controller Lew Reinhart being named vice president & chief financial officer.

1986

Tuscarora-Wayne absorbs the Tioga Mutual Insurance Company in Mansfield, PA, through a reinsurance and assumption agreement.

1988

Brian Bolinger is hired to succeed Lew Reinhart and is officially anointed as chief financial officer (CFO) in 1993 when Jay Chadwick takes over as president/CEO.

1993

Jay Chadwick takes over as president/CEO, on January 1, succeeding his father, Jim Chadwick, who retired a few months earlier.

1994

Reinsurance assumption leads to acquiring Penn Central Mutual Insurance Company, Loganton, PA, with operations at that location continuing as a branch office of Tuscarora-Wayne Mutual.

1999-2000

Penn State Business Administration graduate, Todd E. Salsman, joins the Tuscarora-Wayne senior management team as vice president of underwriting. Shelby W. Napoli, who has been with the company since 1976, is promoted to vice president/human resources. Martin A. Burns is promoted to vice president/information technology.

2000

Washington Mutual Fire & Storm Insurance Company, Reynoldsville, PA, joins the fold through an acquisition by control of the board of directors.

2002

Craig Manney, vice president of Claims and twenty-six-year employee of the company, dies suddenly of a heart attack at the age of fifty-one. He is subsequently succeeded at that position by former colleague and friend, David Schweitzer.

2003

Keystone National Insurance Company (KNIC) is formed under the combined ownership of Tuscarora Wayne Mutual Insurance Company (TW) and Keystone Capital Investors LLC. Keystone National is a licensed property and casualty stock insurance company, with all members of the Mutual Capital Group of Directors serving on that governing body.

2010

Tuscarora Wayne completes the acquisition of the Lebanon Mutual Insurance Company, a statewide property and casualty insurer out of Lebanon County. Lebanon Mutual policyholders approve this reorganization. Daniel Borges is hired in November as the newest member of the management team with the title of chief information officer (CIO).

2011

In 1984 Lebanon Mutual Insurance Company formed a non-profit 501(c)(3). This organization is now known as the Tuscarora Wayne Mutual Foundation with a mission to fight food insecurity.

2018

Glacier Capital Holdings LLC and the Glacier Auto Insurance Company (f/n/a Capitol Insurance Company) come under the Mutual Capital Group, Inc. umbrella.




Spring Hill Farmers

STARTED IT ALL IN 1874

When the Spring Hill farmers in the Township of Tuscarora, county of Bradford, and Commonwealth of Pennsylvania, decided to form their own mutual insurance company in 1874, Ulysses S. Grant was president, Jesse James was still robbing trains, and Wild Bill Hickock and General George Custer were still alive and well. The first mass-produced, gasoline-powered automobile, the Ford Model T, was still thirty-four years into the future and it would be fifty years before automobiles would be affordable to the average American.

The seeds were sown for Farmers' Mutual Insurance Company of Tuscarora in the opening weeks of 1874 with a preliminary meeting "at the invitation of J. H. Black" at the home of H. B. Ackley with the following taking part: Ackley, William Shumway, John Henry Black, A.B. Sumner, and M. Montgomery. This was followed up at the Black School House with the same group and others, including B.W. Wood, who would serve as the first treasurer. Sumner was secretary of the meeting and recorded the minutes from thereon.



"It was decided to organize a company on the mutual plan, obtain a charter of county court, and to issue policies— subject to assessment." The application for the charter would be through the Bradford County Court, and Shumway placed the matter in the hands of the Towanda law firm of Foyle & McPherson. The attorneys would subsequently rewrite the charter application, so it was more in conformity with insurance department regulations. The meeting of some of these same people in Shumway's barn during a summer thunderstorm may have been one of a number of gatherings on the subject. Since lightning was the cause of many of the fires in hay-filled barns in those days, this had been a popular scenario for the birth of Farmers' Mutual, as it came to be known.

First Directors of Farmers' Mutual Elected

The group discovered, after meeting with counsel on the matter of petitioning for a charter, that they would be required to appoint twelve directors. In a subsequent election on Jan. 11, 1875, their first annual election meeting, they chose the following twelve via election out of seventeen who received votes: William Shumway, David Edinger, Ferris Ackley, J. H. Black, A. B. Sumner, B. W. Wood, H. B. Ackley, N. J. Cogswell, Joshua Burrows, William A. Squires, James A. Lewis, and C. W. Browning.



They had to secure \$50,000 in commitments or applications for insurance, and Sumner was elected to conduct “an additional survey” to make sure they had the amount promised before the election of officers on January 11. As of December 26, the total was about \$25,000. They were able to raise the rest of the required \$50,000 in committed business in just over two weeks, gain board approval, and notify the insurance commissioner in Harrisburg that they had met charter requirements.

Doctors made house calls in those days and so did insurance agents like John Henry Black, who, records show, was paid \$2.50 a day for himself and his horse in 1902, plus five cents a mile for his travel. Ferris Ackley, a board member and father-in-law of board President William Shumway, joined Black as a traveling agent for several years and was probably paid accordingly. When Ackley was hired for that service in 1883, he was in his late sixties, with his daily pay reported at two dollars.

Although Black served the company as general agent over the span of about four decades, the fact is that all the company directors could sell and upgrade policies, which means they all served as field agents.

“As far back as I can remember, Tuscarora Mutual Insurance Company always had what they called the Tuscarora agent,” noted Dr. I. V. Stoll on June 25, 1973, before the Wayne County consolidation made it the Tuscarora-Wayne Mutual Insurance Company. “He received a salary. Practically all of the policies were written at the office or by the agent—collecting from a policyholder a fee for writing a policy or when the policyholder had changes made to their policy.”

By 1974, in fact, Tuscarora-Wayne Mutual Insurance Company was being represented by seventy-four agencies and writing about \$2 million in premiums annually.

Although Black was ostensibly THE agent for the Farmers’ Mutual from its inception, any member of the board, dubbed as field agents, could sell and update policies, and that continued for about ninety years until Farmers’ Mutual’s fourth

secretary, James W. “Jim” Chadwick, started recruiting in-house or captive agents.

There is not much historical record of the first twenty-five years of the company, other than notifications of enlarging the coverage area into other townships and into adjacent counties. It was clear the company was growing, even expanding coverage into residential and commercial properties in Wyalusing and other towns. Losses reported for the preceding year on October 12, 1899, the 25th anniversary of the Farmers’ Mutual founding, showed a deprivation totaling \$6,770.12 for fifteen claims—the largest of \$1,400.59 paid to L. C. Overton on Vaughn Hill in Wyalusing Township. Aside from Wyalusing, claims were reported in Albany, Asylum, Herrick, Litchfield, Pike, Sheshequin, Towanda, and Tuscarora, as well as Windham Township in Wyoming County.



Growth Continues Into 20th Century

Moving into the 20th century, Farmers' Mutual was clearly becoming a success story in its own modest way. A typical farm policy for fire and lightning protection in the first decade of the new century, not counting payment for lost stock, was for \$1,000 separated into the following coverage amounts:

- \$400 for the house
- \$150 for "house goods, clothing, and provisions"
- \$100 for the barn structure plus \$225 for "hay, grains, stock wagons, and farm tools"
- \$75 for a second barn or outbuilding
- \$50 for a piano

The premium for the first year of this coverage, paid "post-assessment," or after the coverage year, would be three dollars. Pianos, by the way, were

often the most treasured items inside the house, and there were policies where the coverage on the piano was assessed higher than the rest of the furniture/home goods combined.

By 1911, the policies in force had climbed to \$4.19 million, with William Shumway and A. B. Sumner still the president and secretary, respectively. Sumner was paid \$296.95 for his services and expenses, according to company records, and the balance in the treasury was \$8,247.68. Sumner retired the following year after thirty-eight years as secretary.

From that point on, the company's business office was operated for more than forty-two years out of the Spring Hill home of Roy Blocher.

Under Blocher's administration, with the advent of the automobile as the main mode of transportation throughout Farmers' Mutual coverage area, it was much easier to conduct business on the rural



landscape. Therefore, the directors and others designated as agents were more active in selling policies and settling claims. The use of the automobile and motorized equipment like tractors had become the norm after World War I and the Great Depression. By 1942, farm equipment claims were no longer honored under a standard farm policy for the following regarded as “obsolete for progressive dairy operations:” harnesses, platform wagons, and buggies. In the years immediately after World War II, the company’s assets surpassed \$125,000.

The year 1955 saw major change under Secretary J. Walter Mitten, including a move to newly constructed business offices in Wyalusing at its current location, 41908 Route 6. The company’s total assets had increased to \$156,258.91. The annual statement for that year also reported \$45,133,537.90 of fire and lightning coverage in force, with \$25.6 million in extended coverage.

This came on the heels of the devastation of Hurricane Hazel in mid-October 1954. To cover the losses from Hazel that year, the directors essentially went to their banks for personal loans until the premiums came in. Farmers’ Mutual was a post-assessment company at the time, as mutual insurance companies tended to be, and premiums from policyholders weren’t collected until the end of the year. To pay off claims until the money arrived, the directors signed with five different banks at \$20,000 each in personal loans to get them through the crisis period.

Mitten, who played a role in resolving that crisis, is credited with launching the era of the captive agent that year with the hiring of Jim Chadwick, a twenty-four-year-old Penn State graduate and Air Force veteran, as the modern equivalent of John Henry Black. Chadwick, upon being elevated to the position of secretary in 1962, expanded the role of the captive agent, who is by definition one who only sells for the company and is paid for doing so by salary, commission, and, in most cases, a combination of both.

Chadwick started working there in 1955 just a few months after the Hurricane Hazel crisis.

There were no monies in the company coffers at the time, because “they didn’t have the money to pay the claims.”

Captive Agents Help Company Thrive

By the time the company completed a 1963 merger that changed its name to Tuscarora Mutual Insurance Company, the list of agents was growing, hitting its peak ten years later.

Secretary Chadwick had to hit the ground running in his first year on the job. It started in the spring of 1962. By April of that year there were serious moves being made toward a merger with the Susquehanna Grange Mutual Insurance Company and the Abington Mutual Fire Insurance Association. A meeting was held on April 12, 1962, “for the purpose of merger discussions” with those two mutual companies headquartered in New Milford, PA, and Clarks Green, PA, respectively. Attending were Farmers’ Mutual President Bruce Dodge, Treasurer Gerald Shumway, Chadwick, and John Griffin, counsel.

At this meeting, they proposed a company organization charter under the corporate name Tuscarora Mutual Insurance Company. Under this corporate name would be the Susquehanna Division and the Abington Division, and the fifteen-member board would be comprised of twelve from Tuscarora Mutual, two from Susquehanna, and one from Abington. It was specified that “the two divisions [would] maintain their identity and local flavor.”

Tentative coverage offered would include fire, auto and extended coverage, lightning and liability, homeowners, and farm owners. It was further proposed: “No agent could write for any other company any lines of business that Tuscarora Mutual Insurance Company offers.”

In what was described as a “merge meeting” hosted by Farmers’ Mutual six days later, on April 18, the following mutual companies attended: Susquehanna Grange Mutual Insurance Company and Abington Mutual Insurance Fire Insurance

Association, as well as Wyoming County Grange Insurance Company, Tunkhannock, PA; and Farmers' & Mechanics' Mutual Insurance Company, Forksville, PA.

Secretary Carl Molyneux reported that Farmers' & Mechanics', with \$5 million in insurance in force, would "probably not be able to merge this year." He explained that his company was not interested in growth but "to serve the needs of the local area."

Meanwhile, Charles Adams, a director for Wyoming County Grange Insurance Company, with eight agents working on a commission basis, would make no commitment, merely that he would take the information back to his board. At that time, there was no commitment on record from either Abington Secretary Joseph Carpenter or Susquehanna Grange Secretary Donald Stearns.

Time was running short if legal hurdles for a merger were to be cleared by October at the latest in order for a merger to be consummated by January 1, 1963. The companies were asked to make their decision by May 9, the next scheduled meeting.

Farmers' & Mechanics' directors confirm they were not ready for a merger and on June 4, 1962, Wyoming County Grange Directors split by a 5-5 vote and would not merge.

However, Susquehanna and Abington signed an Agreement of Merger with Farmers' Mutual on July 29 and on January 1, 1963, Tuscarora Mutual Insurance Company is born.

After the merger, the following directors are elected officers: President Ralph L. Culver, Vice President Howard T. Benning, Treasurer Joe Carpenter, and Executive Secretary James W. Chadwick. Other directors were John Culver, J. Garfield Kerrick, Frank Robinson, Bruce Dodge, Ward Bailey, Robert Browning, Alfred Durand, Gerald Shumway, Irvin Macafee, I. V. Stoll, and Roger Madigan. Field agents were Madigan, Paul Fairchild, Ernest Wood, and Ervin Bluhm, with two dozen other men from five different counties given agent status.

Buying Something After They Used It Up

Roger Madigan served as underwriting manager prior to the merger and, as unofficial supervisor of the agents, produced the agent reports and assisted in training new agents.

On October 7, 1969, another merger with Tuscarora Mutual Insurance Company brought in the Main, Beaver, and Black Creek Mutual Fire & Storm Insurance Company.

After the Main, Beaver, and Black Creek merger, Jim Chadwick recalled, Lew Reinhart, the company controller, went to retrieve their assets. "He came back with a cigar box with cash in it," Chadwick said.

It was around this time that the company approved a change that pleased the agents. Jim Iddings had started training as an agent. He was in the field selling with Ernie Wood when he questioned why premiums, which were called assessments, were being paid at the end of the year of coverage (post-assessment) instead of at the beginning (advance-assessment). This method cost them dearly during Hurricane Hazel and it still hadn't been resolved fifteen or sixteen years later.

"I asked why they didn't move people from post to advance and many were just paying premiums on policies their parents bought," Iddings recalled. "When they moved from post to advance, we actually earned double commission that year. Ernie really liked that."

The Merger That "Put Us On The Map"

Next to be merged, or consolidated, was the Wayne County Farmers' Mutual Insurance Company, headquartered in Honesdale. Both Wayne County Farmers' Mutual and Tuscarora Mutual were at about \$700,000 in premiums in 1972 at the start of the merger process, which became official on July 1, 1973.

In publicly announcing its coming consolidation with Wayne County in June of 1973, it was noted that “the consolidation would spread our risks over a wider area and strengthen our capabilities of writing today’s larger insurance demands. In the insurance business... growth and progress are necessary for survival.”

Although the Wayne County merger, as it was called, would be a huge financial boost and enhance the company’s credibility as a mutual insurance company, it would also be the biggest challenge. Jim relied heavily on legal counsel John Griffin, his close friend who was also a director.

The mergers made for a crowded boardroom. Chadwick said that at one time, when they started merging companies, there were twenty-six directors: We on boarded two or three directors from every company...

Other than Wayne County, all those others were comparatively small. Susquehanna Grange was the next largest at a little more than \$25,000. The Wayne County merger “put us on the map,” said Jay W. Chadwick, who succeeded his father as president and CEO in 1993.

Bigger And Better At Century Mark

By 1974, the centennial year, Tuscarora-Wayne Mutual Insurance Company was comprised of the following companies: Abington Mutual Fire Insurance Association, Main, Beaver and Black Creek Mutual Fire and Storm Insurance Company, Susquehanna Grange Mutual Insurance Company, and the



Wayne County Farmers Mutual Insurance Company.

As the Wayne merger was completed, Chadwick found himself with another challenge. He had brought in captive agents for control and stability, separating them into coverage areas. They maintained and upgraded old policies as well as selling new ones and gaining new policyholders. This is known as their book of business.

Some of that group were on their own or working for agencies, but more than \$63,000 of that new business came from the top five sellers in 1972— all captive agents, including Jim Iddings and Max Gannon, Jr., who would take the lead in buying books of business from Tuscarora-Wayne Mutual Insurance Company and starting their own successful independent agencies. Others would follow, including Irv Bluhm, Dwayne “Tink” Crandell, and Paul Fairchild.

Restless Agents Help Write Another Chapter

Even though it seemed to be a roaring success, not everybody, including Madigan, felt that the company should stay in the business of selling. Madigan himself, who had been serving as an underwriter, agent, and agent supervisor, would soon be heading for a combined thirty-two years in the Pennsylvania’s House of Representatives and Senate.

It was a rough, sometimes painful, transition for Chadwick when some of his top sellers pushed for establishing their own agencies. It turned out to be a win-win situation for the company, but it was a lot like stepping off a ledge and hoping the ground was nearby. Gannon, Iddings, and others were looking for bigger books of business and they felt restricted. “Max is the guy who saw over the horizon what we had to do,” Jim Chadwick said. “We could see it too, but he pushed it.”

So captive agents were given the okay to keep their books of business, as long as they didn’t switch existing Tuscarora-Wayne Mutual policies to other insurers and use these as keystones for their own agencies.

“They basically had to do it. Roger pushed that approach,” Iddings said. “Once Jim Chadwick was convinced that was the way to go, it turned out to be a smart business move getting away from the captive agent system.”

“That’s when I got most of my gray hairs,” Jim Chadwick said of 1972-73, and it was also around this time that the company started a profit-sharing plan for the agents, which “was pretty aggressive for a small company.”

On the 100th anniversary in 1974, the following were on the Tuscarora-Wayne Mutual Board of Directors: Edward Rutledge (Equinunk), president; Gerald Shumway (Laceyville), first vice president; John Griffin (Towanda); W.J. Creasy (Bloomsburg), second vice president; Joe N. Carpenter (Waverly, PA), second vice president; J. Wesley Akers (Newfoundland); Gordon Knapp (Honesdale); Harold Treat and C.B. Treat (Lakeville); Ward Bailey (Montrose); Dale Baumunk (Shunk); Harold Harman (Rock Glen); Leo Hons (Bloomsburg); Robert Browning (New Albany); Harold Chapin (Nescopeck); John Culver (Laceyville); Alfred Durand (Towanda); Dr. I. V. Stoll (Rome); A.E. Howell (Honesdale); Frank Robinson (Laceyville); Jim Chadwick (Camptown), executive vice president; and Lewis H. Reinhart (Wyalusing), controller.

Reinhart, whose title would later be vice president and chief financial officer, gets a lot of credit from his former boss for the financial success of the company. The graduate of Franklin & Marshall came to Tuscarora-Wayne Mutual in 1966, bringing bottom-line accounting and investment savvy to the table. Financial reporting was becoming increasingly complex and reinsurers, for example, were demanding more information such as loss ratios.

“Lew was sharp,” Jim Chadwick said of Reinhart who was there for twenty-six years. “He was a good friend.”

“Basically, it was the two of them who ran the company,” said Jay Chadwick, who succeeded in 1993.

The senior Chadwick, by the way, continued to carry the title of secretary until 1982 when John Griffin, who was board president at the time, called

him on a business matter one day.

“I answered, as I always did, ‘Jim Chadwick, secretary,’ Chadwick recalled, smiling at the memory of his old friend who died in 2015 at the age of eighty-nine. Griffin got board approval to give him a proper title for the chief administrator of a respected company.

Moving Into The Eighties And Nineties

Tuscarora-Wayne Mutual continued to spread its risks as an insurer, strengthening its underwriting options as it entered the 1980s. In 1986, Chadwick and his board of directors presided over adding another company to its fold by absorbing the Tioga Mutual Insurance Company in Mansfield, PA, through a reinsurance and assumption agreement. In 1994, through a similar agreement of assuming obligations, Tuscarora-Wayne Mutual acquired Penn Central Mutual Insurance Company, Loganton, PA, continuing that company’s presence in Loganton with a branch office. Jay Chadwick presided over this acquisition and the continuing evolution of what is the Mutual Capital Group, Inc.

As they crossed into the new millennium, these innovations included:

2000 — Washington Mutual Fire & Storm Insurance Company, Falls Creek, PA, joins the fold, thanks to acquisition by control of the board of directors and

sharing a common board of directors.

2003 — Keystone National Insurance Company is formed under the combined ownership of Tuscarora-Wayne Mutual and Keystone Capital Investors LLC. Keystone National is a licensed property and casualty stock insurance company with all members of the Tuscarora-Wayne Mutual Board of Directors serving on that governing body.

2009 — Partial conversions to stock insurance companies are approved with the respective company names of Tuscarora Wayne Insurance Company and Washington Fire and Storm Insurance Company. These conversions create Tuscarora Wayne Mutual Group Inc., (since renamed Mutual Capital Group, Inc.) a mutual holding company, and the Susquehanna Capital Corp., since renamed Mutual Capital Holdings, Inc., a stock holding company.

2010—The acquisition of the 154 year-old Lebanon Mutual Insurance Company in Cleona, PA, in Lebanon County is completed and later reorganized into a stock company.

2011— Lebanon Valley Insurance Company becomes a formal entity on January 3 with the Mutual Capital Group, Inc. as its ultimate parent. “We serve the underserved [mission statement] and it arose from what we were already doing...,” said Jay Chadwick, looking back on the company’s history. “There’s more risk. There’s more rate. It’s high hazard, high rate, and lower limit business.”



The Real Founders of Tuscarora Wayne

There would be no Tuscarora Wayne Insurance Company or its growing corporate family had it not been for the following property owners who committed themselves to a combined \$50,000 in coverage back in January 1875. At a time when a typical annual income was under \$120, a total of forty-one property owners, mostly farmers in Tuscarora Township, committed themselves to \$50,000 in insurance coverage—the equivalent of \$1.1 million today. Without this commitment, there would have been no approval from the Commonwealth of Pennsylvania Insurance Department allowing a mutual insurance company to be formed.

It started with John Henry Black, who sold (and purchased with his father, Davis Black) the first policy for the third-generation Black family farm on Spring Hill. The first policyholders included residents of the Laceyville, Wyalusing, LeRaysville, and Herrickville areas and points in between. These were the founders who set the new-fangled idea of “mutually” insuring each other in motion.

For the record, the following were the names submitted to the insurance commissioner on January 11, 1875, in the order listed, who sealed the deal for the formation of the Farmers Mutual:

C. W. Cogswell, Elmer Cogswell, A. W. Gray, David Warner, David Edinger, Burton Wakely, Almon Wakeman, Andrew J. Taylor, Archibald B. Sumner (on April 14, 1893, Sumner, the secretary, added \$150 in coverage for a piano), William Shumway (the first president), Stephen Lyon, William Mahoney, William M. Black, George Sumner, S. J. Smith, Davis D. Gray Jr., George Dexter, H. M. Lyon, Ferris Ackley, Jacob Rosencrance, B. W. Wood, William Lattimore, Martin Christian, D. D. Gray, Henry B. Ackley, L. D. Chamberlain, S. B. and S. W. Stevens, Joshua Borrows, William A. Squires, William Price, Abel Miller, J. H. Athinz, Theo Silvaria, N. J. Cogswell, R. F. Rugg, Martin Blocher, C. H. Newman, C. W. Browning, and James A. Lewis.



1-4th BARREL, 49 Lbs.

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Dealers in Fancy and Staple Dry Goods, Hats & Caps, Boots and Shoes,
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WYALUSING, Pa.



THE COSTS OF EARLY

Farmers Mutual Coverage

To be chartered as a mutual insurance company by the Commonwealth of Pennsylvania, the Spring Hill farmers back in 1874 had to prove they could come up with \$50,000 in coverage. This seems like a huge amount for the time, comparable to more than \$1.1 million in 2021 dollars based on inflation alone.

It would have to be accomplished by selling a lot of \$1,000 and \$1,500 insurance policies. The farmers, mostly through the efforts of A.B. Sumner and William Shumway, had to survey farmers and property owners in Tuscarora Township and adjacent areas to attest that they would apply for fire insurance coverage totaling \$50,000.

A \$1,000 policy in 1875, believe it or not, would cover total losses in a typical farm, including house, barn, and their contents. Cattle and other stock, if affected, would become a separate issue.

For example, the \$1,000 policy for Sumner himself issued on January 11, 1875, required a premium

or assessment of two dollars to be paid post-assessment or after the year of coverage. The house and barn were covered for \$600 and \$200, respectively, with the remaining \$200 on the contents, or household goods, of the home.

Some other examples of policies from the early days of Farmers Mutual:

An insured home owned by Miles Prince burns down in 1885. The claim is for \$150 and they are able to drop it to \$148 because a door, appraised at two dollars, was saved.

A disclaimer on the policies issued in the first several decades stated: "This company shall not be liable for loss caused directly or indirectly by invasion, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority, or by neglect of the insured to use all reasonable means to preserve and save the property at and after a fire, or when the property is



endangered by fire in neighboring premises, or to boilers and engines.”

A claim of \$534 is paid to A.H. Jones on June 22, 1879, after a fire that destroyed a dwelling house, furniture, and granary in Terry Township.

On August 4, 1909, a \$1,000 policy is issued to Mrs. Kirk Beebe “for loss or damage by fire” for a two-story house (24 x 25 feet) for the amount of \$400; a 28 x 40 barn at \$100; a smaller barn (18 x 40) at \$75; hay, grain, stock, wagons, and tools at \$225; house goods and furniture, clothing and provisions at \$150; and a piano for \$50. The policy, sold by board President William Shumway, assesses a total property value of \$1,500 and \$500 for encumbrances, such as mortgages and liens. Her first premium was \$3 to be paid at the year anniversary date.

In 1900, the company agrees to insure Mister Dewing’s separator on his Warren Center dairy farm, which is used “to separate the cream from the skimmed milk.”

In 1942, the board comes to the conclusion that they will no longer pay fire claims on buggies, platform wagons, and harnesses as destroyed farm equipment. The consensus is that they have become obsolete for progressive dairy operations.

In 1963, fire and lightning losses total \$253,734 in forty-eight claims (average \$5.286), with the largest claim at \$28,797. There were about \$30,000 in smaller claims under \$1,000.

Prior to the formation of Farmers Mutual, local farmers had to turn to outside insurers for coverage. This luxury was predominately enjoyed by the big farm owners with the most to lose. For example, farm property owned by Justus Lewis in Merryall, located between Wyalusing and Camptown, was insured by the Wyoming Insurance Company out of Wilkes-Barre in 1873 for \$2,000 with a yearly premium payment of \$16.50.

This is now known as Kendale Farms, the family home of Chairman Jay Chadwick and the boyhood home of his father, Jim, his predecessor in that position.

This is fire insurance policy of A.B. Sumner, the first Secretary of the original Farmer’s Mutual Fire Insurance Company of Tuscarora enforced on January 11, 1875, for the amount of \$1,000 on a premium payment of two dollars. It was signed by President William B. Shumway. Noted are the coverage of the house (\$600), the barn (\$200) and all household goods in the home (\$200). Sumner, who with Shumway and John Henry Black, the first agent, are regarded as the founders of the company.



THE FIRST SECRETARY:

A. B. Sumner

Archibald “Archie” B. Sumner was the first secretary of Farmers’ Mutual and one of three men, along with John Henry Black and William Shumway, credited with founding the Farmers’ Mutual, incorporated on September 7, 1874.

Since it was crucial to be granted a charter from the Commonwealth of Pennsylvania Insurance Department to incorporate a mutual insurance company, Sumner’s first assignment, when it was decided to proceed, was to draft a charter. That would then require commitments from local landowners for a total of \$50,000 in coverage, which would approach \$1.1 million in 2021 dollars. Sumner played a key role in surmounting this obstacle.

“A. B. Sumner was left with the task of rearranging and copying the embryo charter to be presented at a subsequent meeting for approval,” reports a handwritten account in the original minute book, which was probably written by Sumner himself as recording secretary.

A. B. Sumner, as he was generally known on Spring Hill and throughout Bradford County’s Tuscarora Township, served as secretary, which was the chief (and only) administrator, for about forty years. Sumner assumed those duties at the age of thirty-eight. Because Sumner would be the obvious choice to take minutes for the board, as was generally the case with most rural mutual insurance companies, it makes sense that his title, as with those of his peers in other mutual companies,

was secretary. Mutual insurance companies in Pennsylvania traditionally designated the position of their chief executive officers as secretary. At Farmers’ Mutual it was a title that was not changed for well over one hundred years, multiple mergers, and two corporate name changes.

For the record, Sumner was born on March 23, 1836, the eldest in a family of the eight children born to George and Lydia Bunnell Sumner. He died at home on his Spring Hill farm on January 13, 1917, at the age of eighty, retiring as secretary in 1912 when he was succeeded by Roy Blocher.

Sumner was a well-educated man and, starting in 1861 at the age of twenty-five, while engaged in farming in Tuscarora Township, the graduate of the Wyoming Seminary taught school in Wyoming, Luzerne, and Bradford counties. His early years of farming occurred during the Civil War, and a brother, Benjamin, served and died while fighting for the Union cause.

Despite his forays into public education, perhaps to supplement his income, historical biographical accounts describe him as being “chiefly engaged in farming.”

The accomplishments of A. B. Sumner were impressive, among them election to the Pennsylvania House of Representatives in 1890.

He would retire from the secretary’s position in 1912—five years prior to his death—with Roy L. Blocher assuming those duties.

Tracking Down the Tuscarora Fire Mark

In its early years, namely in 1878, Farmers' Mutual distributed what are known as fire marks to the property owners they insured, mostly farmers, to affix to their buildings in the event of a devastating fire. Made of metal, these rectangular Fire Marks were to be affixed to houses, barns, and other insured buildings with the identifying name of the company. They were 2.5x7 inches with the word "Tuscarora" in bronze lettering.

The use of fire marks can be traced to 1666 and the Great London Fire. After the conflagration, London created an insurance system revolving around city-chartered fire companies. The mark meant that the building was covered by the company whose name was affixed to the plate, that its owner qualified for fire protection services from stated company.

This system was apparently adopted throughout Europe and later in the United States, starting while they were still British colonies. Ben Franklin is credited with fire protection service in Philadelphia based on the London system, with the insurance companies themselves actually sponsoring the fire departments. This system spread across the country.

Because each insurance company had a vested interest in the property it covered, it had its

own group of firefighters who would respond to fires at buildings they insured as identified by their distinctive fire mark. It is said that if the fire mark was from another company, responders were known to return to their firehouse, leaving the building to burn.

Jim Iddings, an agent for what was then Tuscarora-Wayne Mutual, found a directive in handwritten meeting minutes dated Feb. 15, 1878, directing the agents "to put up or deliver plates on property insured after this date" —one for the house and one for the barn. Intrigued, he began a search for the plates. He found several in 1977, including a number at the Spring Hill home of Theodore and Clara Stone where there was a stack of them in a dusty basement stairwell. (See photo of one of them.)

There is no evidence that any home was left to burn because of a fire mark in Farmers' Mutual territory. Volunteer fire companies prevailed in those days in the nearby towns. In places like Spring Hill, it was often the farmers themselves banding together in fire brigades who put out the blazes. Fire marks were more likely used for quicker notification of the insurance company in the event the owner was incapacitated or away from the premises.



THE AGENT:

John Henry Black...

John Henry Black was the first agent for the Farmers' Mutual Fire Insurance Company of Tuscarora. He was also the one credited with calling upon his fellow farmers on Spring Hill, always at the mercy of house and barn fires from lightning strikes and other causes, to pool their resources and form a mutual insurance company.

According to a Spring Hill history written in the late 1960s, John Black "drove his horse and buggy up and down the hills of Bradford County and other adjacent areas selling insurance for 'The Tuscarora Mutual.'"

Black had returned home from the Civil War barely a decade before he joined with neighboring farmers to essentially self-insure themselves and others as both policyholders and owners.

Black would have been thirty-two years old in the summer of 1874, the inaugural year of the old Tuscarora Mutual. He fought as an artilleryman in some of the Civil War's most horrific battles against Confederate foes, including the Wilderness, Spotsylvania Courthouse, Cold Harbor, and North Ann River. Two of them—Spotsylvania and the Wilderness, with over 36,000 casualties combined—were ranked in the top five bloodiest battles of the Civil War behind Gettysburg and Chickamauga. Black enlisted in March of 1864 in Canton, PA. His unit, the 2nd Regiment, Pennsylvania Volunteer Artillery and later 2nd Regiment of the Pennsylvania Provisional Heavy Artillery, would lose 800 men by war's end.

Twice as many soldiers died of disease in the Civil War than battle injuries, with typhoid, typhus, and dysentery among the most voracious killers. In mid-July of 1864, after just over three months in the thick of the fighting, Black was struck down by serious illness. The twenty-two-year-old Black cheat-

ed death, after being hospitalized, first at City Point Hospital in Virginia and eventually recovering at Mount Pleasant Hospital in Washington, DC.

One of his last duties after recovery was being in charge of the hospital's "dead house," where human corpses were kept prior to transport for burial. It was basically the morgue. Hospitals and prisons had dead houses, as did the field hospitals near battlefields where the "house" was most likely a tent.

Aside from J. H. Black, several Spring Hill men fought for the Union in the Civil War, including John's brother, Melville. The Black brothers survived the war but others, like their brother-in-law, Charles Wesley Warner, weren't as fortunate. Warner died of starvation in a Confederate prison camp. Benjamin Sumner, a brother of A.B. Sumner, the founding secretary of Farmers' Mutual, died in battle.

Memories of the Civil War were still fresh in the minds of the residents of Spring Hill and beyond when the insurance company was formed. John Henry Black himself was fewer than ten years beyond the horrors of the bloody conflict when he joined with William Shumway, A. B. Sumner, and other farmers to form the company.

Despite being in what was described as "poor health" after returning to Spring Hill in August of 1865, Black was active in Republican politics, the Methodist Episcopal Church, and as a strong advocate of prohibition. Aside from being the general agent for the Farmers' Mutual Fire Insurance Company of Tuscarora at its inception, selling policies into the second decade of the 20th century, he was a successful second-generation farmer. John Henry's farm, purchased by his father, Davis D. Black, upon moving to Spring Hill in 1830, was comprised of more than one hundred acres. Davis Black also

owned the first sawmill in Wyalusing. His grandfather, Joseph Black, had settled in Wyalusing in the early 1800s, owned over 600 acres of land, as well as the only gristmill between Athens and Wilkes-Barre at one time, according to Historian H. C. Bradsby.

Black saw plenty of death as a soldier, but he also saw his only son, George Melville Black, die in 1875 a week shy of his eighth birthday. His son's death came just seventeen months after he lost his wife, Sarah. She died eight days after she gave birth to daughter, Sarah Blennie Black Taylor, in February

of 1874. All this tragedy came within a brief span before and after he convinced his neighbors to join together in a mutual insurance company. Tragedy and death were more common in those days, especially to children, as evidenced in the life of company's co-founder and first president, William Shumway.

Black would subsequently marry Marietta Dodge Black, who died in 1913, and was in his seventies when he married Nancy Elliott Black, twenty-five years his junior. She survived him upon his death on November 28, 1921.



THE PRESIDENT

William Shumway

William Shumway, a founder and first president of the Farmers' Mutual, served the company in that capacity for almost four decades. He took over the presidency of the original board of directors in 1874 at the age of thirty-three. Records indicate he continued in that leadership role until 1920— just two years before his death on April 29, 1922, at the age of eighty-one.

His grandfather, Reuben Shumway, the first generation to settle on Spring Hill in 1805 on 451 acres, fought for the Continental Army in the Revolutionary War.

Reuben had the distinction of being one of those assigned to guard Major John Andre, the British intelligence officer hung as a spy for conspiring with Benedict Arnold in his infamous betrayal.

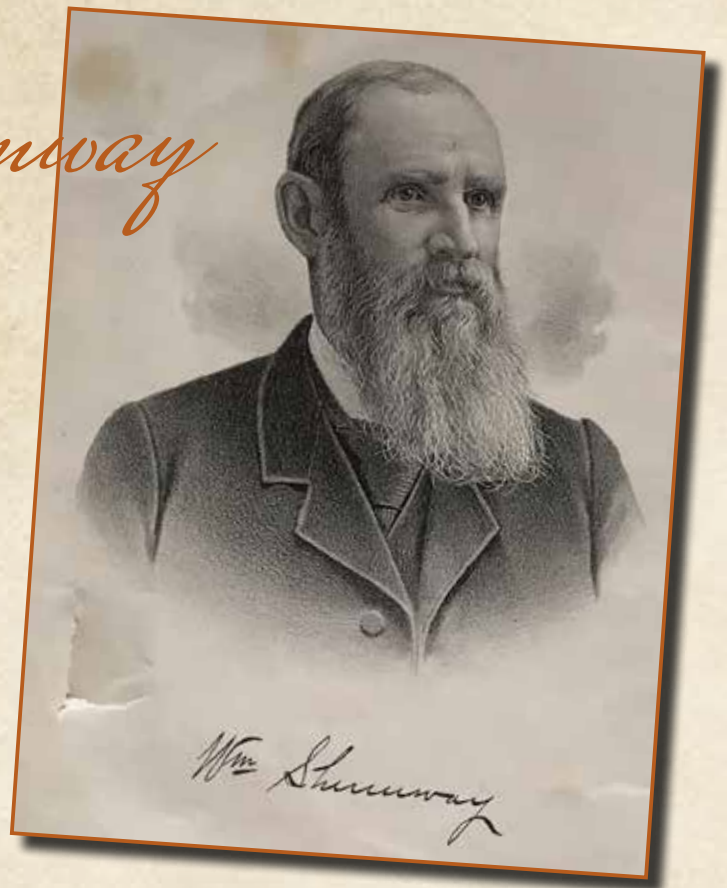
William, as the third generation operating this historic farm, gained renown as one of the most progressive and innovative farmers in the region. His role in helping farmers protect themselves from the calamity of fire attests to this.

William, who was the youngest of eight siblings, did not serve in the Civil War. Two of his brothers, one of whom died in battle, did. Another, Henry, moved to Kansas after being discharged from the Union Army. William, due to the death of his father, Cyrus, in 1864, took over the family farm at the age of twenty-three and would suffer serious setbacks by the end of the next decade.

Series of Tragedies Force Two-Year Respite

William had married Adeline “Addie” Ackley Shumway the year before his father’s death, and that union ended tragically in 1877 when illness claimed her life. Two sons and a daughter also died between 1869 and 1878— none of whom survived beyond the age of five.

It showed his strength of character and commitment to his family and neighbors that he was able to play such a crucial role in helping protect his neighbors in the founding of a mutual insurance company while enduring a string of personal tragedies. Shumway joined forces with A. B. Sumner and John Henry Black, who himself had recently lost his wife



following childbirth and an infant daughter, to raise the \$50,000 in coverage they needed to obtain the charter for the Farmers' Mutual.

However, William took about two years of his life, starting in 1879, to journey far from Spring Hill. It meant leaving his young daughters, ages three and eleven, in the care of a trusted neighbor. Shumway traveled west where he was described in a family history as roaming “aimlessly through Kansas, Colorado, and Wyoming,” camping and living off the land. He came back to Tuscarora Township in the summer of 1881 to return to farming in earnest, marrying twenty-nine-year-old Armenia “Minnie” Sumner on Sept. 18, 1884. That marriage produced two daughters. Son, Gerald, the youngest, would take over the family farm and also become an important figure in the leadership of what folks on Spring Hill called the Farmers' Mutual.

A daughter, Lulu Grace, would ultimately marry Martin Blocher, brother of Roy L. Blocher, who would become the second secretary of the Farmers' Mutual. Two daughters, Florence and Daisy, would both lead long lives, with Daisy surpassing the age of ninety-five. Gerald, a long-time Tuscarora Mutual director, would live until the age of ninety-two, passing away in July 2008 at his home on the grounds of the historic family farm on Spring Hill.

Roy L. Blocher



Roy L. Blocher took over as secretary of the Farmers' Mutual and was at its helm for forty-two (1912-1954) years. The secretary was actually the chief executive officer in those days— but the secretary title remained through subsequent chief executives until the early 1980s when Jim Chadwick was finally given the president and chief executive title.

Blocher's house on Spring Hill was the official headquarters of the Farmers' Mutual Fire Insurance Company of Tuscarora for more than four decades.

Blocher was just a child when his family took up residence on Spring Hill in 1888. He went on to attain great prominence and prestige aside from his duties with Farmers' Mutual. He was the Bradford County Sealer of Weights and Measures in the 1930s. That was an important duty in those days and is defined thusly: "The sealer of weights and measures is responsible for inspecting and monitoring all transactions in which a commodity or service is bought or sold and a weighing and measuring device is used." It was a consumer protection position and went to people believed to be honest with high

moral values. It was a position also held by his predecessor as secretary, A. B. Sumner.

According to documents in his personal records, Blocher worked closely with the Pennsylvania Department of Highways in maintaining and paving township roads.

He was also highly respected in the insurance business, serving as president of the North East Mutual Insurance Group and lending prominence and distinction to the Farmers' Mutual.

He was a religious man, active in the Spring Hill Methodist Church as a trustee and Sunday school teacher, and he also served as president of the Bradford County Sunday School Association. He contributed to the administration of public education, serving as a school director in Tuscarora Township for thirty years.

Blocher distinguished himself in dairy farming as his personal financial records attest. For example, a receipt he received for the month of November 1919 from the Bradford County Creamery Company showed a payment of \$185.90 at \$3.47 per one hundred pounds of whole milk. He was active with the Dairymen's League Cooperative, holding various offices at the state and local level, including chair of the membership auditing committee from 1938 to 1953 and as secretary of the co-op's Skinners Eddy local for twenty-five years.

Additionally, Blocher was past master of the Wyalusing Masonic Lodge, golden sheaf member of the Spring Hill Grange, and overseer of the Pomona Grange and past president of the Laceyville Rotary. His wife, Alice, a dressmaker by trade, was extremely active in civic, social, and church affairs and was described in her obituary as "one of the best loved and most widely known women in the Wyalusing Valley area." She and Roy set an example of marital success and harmony. She died on January 10, 1954, at their Spring Hill home. Roy himself would die just two months later, suddenly and unexpectedly from a heart attack, while visiting son, William, their only child, in the Washington, D.C. area.

Roy Blocher was seventy-two years of age and still held the title of secretary at the time of his death.

Old Tuscarora Safe

GETS NEW HOME AFTER 110 YEARS



Mike Tokach in his garage with the 2,800-pound safe that served the Farmers' Mutual on Spring Hill from 1892 through the mid-1950s until the company moved its operation to Wyalusing. The safe, however, stayed on Spring Hill for another five-plus decades. It had served former secretary Roy L. Blocher well and Secretary A.B. Sumner before that.

Mike Tokach now owns a safe that held records in insurance policies of what became Tuscarora-Mutual Insurance Company for more than a century.

The safe was originally purchased from Farrell & Company, Philadelphia, in 1892 for \$185 to preserve and protect documents, financial records, and money of Farmers' Mutual.

When he learned the big safe was being removed from the garage of the former Roy L. Blocher home on Spring Hill, Tokach, who is a specialist in moving heavy equipment and oversized loads via supersized truck, was able to remove the safe and haul it away to his home near Herrickville.

He said he didn't need one of those big 18-wheelers to move this load a few years back, but it wasn't necessarily a task for a lightweight.

The safe weighs 2,800 pounds, according to company records, which reported that it was transported by train to Laceyville. From there it would have been hauled by horse and wagon to the place where it would sit on a special concrete pad for the next 110 years until Tokach took possession.

The road from Laceyville to its Spring Hill location would have been less demanding than steeper roads from Wyalusing, but still a challenge at that time.

Added to that \$185 was a freight bill of \$10.05, apparently to bring it by rail from Philadelphia to Laceyville.

SECRETARY NO. 3

J. Walter Mitten

J. Walter Mitten has the distinction of being the secretary (now chief executive officer) for the shortest period of time, serving in that position for just under a decade. He followed the first two secretaries, Archie Sumner and Roy Blocher, who had served eighty years between them— from the founding in 1874 until 1954 when Mitten took over the job.

Mitten enjoyed a long association with the Farmers' Mutual, including as a director, field agent, assistant secretary, and acting secretary, before starting his stint as secretary. He retired from the chief of staff's position in 1962 when Jim Chadwick took over as the fourth secretary. Mitten started as an agent for the Farmers' Mutual in January 1952, became assistant secretary in 1954, and was subsequently named secretary in January 1955. Mitten went to continue his association as a field agent after Chadwick took over the duties of secretary. However, Mitten would live only two more years after leaving that position, dying suddenly in 1964 at the age of seventy-two.

Between 1952 and 1955, the company office moved from Spring Hill to the Taylor McCarty building on Main Street in Wyalusing, which is now owned and operated as a community building by the Wyalusing Community Corporation. The company's residence there as a renter was temporary as they awaited completion of construction on a new building at Tuscarora Wayne Insurance Company's current location along Route 6 at the western end of Wyalusing Borough.

Mitten moved into the new building just before becoming secretary. That move represented the end of the era among the farms on Spring Hill, but Mitten presided over the start of a new one— the era of the captive agents, who were employed by the company to sell its insurance. Jim Chadwick, hired by Mitten in 1955, was technically the first to fill that role. Chadwick, in turn, would expand on that concept, with several dozen sellers on the payroll within just a few years after Chadwick took over as secretary in 1962.

Walter Mitten is often remembered with a cigar clenched in his mouth, and he was very devoted to the company and its policyholders. There weren't



many employees at the time. Jim Chadwick remembers that when he was hired, the only full-time employees in the office beside himself were Mitten and his wife, Kate, who filled multiple office roles, including receptionist, basic secretarial duties, and customer service.

Mitten continued to advise Chadwick after he took over the administrative reins, and it was important to him, as the staff grew quickly under his successor, that qualified and loyal people would be involved in its operation— from sales to claims— as the business progressed and expanded.

Jim Iddings, hired by Chadwick and perennially a top seller among captive agents in the 1970s, vividly remembers that Chadwick wanted him to meet Walter Mitten, which must have been shortly before the latter's sudden death in June of 1964. Mitten walked Iddings up and down Water Street near his home in Camptown.

"He wanted to take me on a walk and tell me how it was. What it was all about," Iddings recalls. "He took me up the street, told me what they expected of me and that he expected I would be an honorable person."

Mitten, who's given first name was James, was active in his community and especially supportive of public education. He served as president of the Bradford County School Directors Association in the 1930s when county superintendents administered public schools throughout the Commonwealth.

Jim Chadwick:

FROM SECRETARY TO PRESIDENT & CHIEF EXECUTIVE OFFICER

The year was 1954. The average monthly rent in the United States was \$85. You could buy a new house for under \$10,000, a new car for fewer than \$2,000 and the gas to keep it running for twenty-two cents a gallon. The percentage of the population graduating with four-year college degrees was between six and nine percent. It was a time when the man of the house was most likely the sole provider, with his wife staying at home to do the housekeeping, overseeing the family budget, and, of course, caring for the children.

One such couple was Jim and Mary Lou Chadwick — young, recently married, and living in a cramped apartment complex in Baltimore, MD. Jim was training for a management position with a company that made agricultural fertilizer. It was an unfamiliar environment for two people born and raised in Pennsylvania's rural Bradford County.

Chadwick, a veteran of the U.S. Air Force, who thought of himself as an “outdoors farm boy,” had earned a degree in agricultural economics from Penn State. There were few jobs requiring a college business degree back in the dairy farming country where he spent most of his young life.

He had grown up on a farm in Northeastern Pennsylvania and wondered if there was anything back home that would suit his talents and education. He learned there was an opening at the Farmers' Mutual Fire Insurance Company of Tuscarora, and he knew several of the board members, including Garfield Kerrick, an old fly-fishing companion, and Walter Mitten, the secretary. It was a venerable and financially stable company headquartered in a farmhouse on Spring Hill for its first eighty years, popular with farmers and other property owners in a three-county area. Chadwick knew enough about the company to discern that it had tremendous growth and earning potential. He did not suspect then that, in the ensuing decades, his leadership



would transform the business and change its name.

In a letter dated February 19, 1955, he inquired about a sales position there. He was only twenty-four, and his credentials included a college degree, two years of military service, and recent experience with the American Agricultural Chemical Company. He picked the right time to make a career move, because the Baltimore company, which had been in business for forty years, had announced it was closing.

It wasn't long before Chadwick was sitting at a

board meeting in Wyalusing for what was essentially a job interview by the full board. There were two other applicants there to be interviewed, and Kerrick, as a show of support, took him around to all the directors, including President Bruce Dodge, for introductions.

James W. Chadwick was hired, reporting to Farmers' Mutual, as it was known then, in the spring of 1955 as a captive agent. He was thirty-two in 1962 when he assumed the mantle of secretary, the highest staff position, succeeding the man who hired him, J. Walter Mitten. The title was modernized to president/CEO about twenty years later.

First Captive Agent Becomes Its Fourth Secretary

He was soon working as a captive agent selling company policies out of the recently constructed office in Wyalusing. The staff at the time was small but efficient. Walter Mitten and his wife, Kate, who served as receptionist and performed clerical duties, were often the only full-time staffers there. Three or four other people, at most, might be working there at any given time. Board members could sell policies and handle claims at the time and were classified as field agents. By the time Chadwick retired, there would be a full-time staff of twenty-three working in an expanded and remodeled building. A handful of merged mutual insurance companies had multiplied the assets and policyholders by tenfold. A network of independent insurance agencies throughout the region would be selling the company's property and casualty coverage.

As the first full-time captive agent since John Henry Black traveled the countryside in the late 19th century, Chadwick felt that there could be plenty of growth ahead with a more aggressive sales approach, and expanding to residences and businesses in the nearby towns. The rewriting and updating of existing policies were a big part of what they did at Farmers' Mutual when Chadwick started working there in 1955. One of Walter Mitten's cousins, Mark Elliot, working on a part-time basis, had been doing most of the policy rewrites. Those six or eight milking cows on a farm might increase to twenty in ten years. Maintaining and updating coverage trumped selling new policies, and often the insured home or

farm owner contacted them first or a board member made the sale. There was no sales force per se.

"Nobody ever changed their policies unless someone called, and my job was to go and rewrite these policies, bring them up to date," Chadwick explained in a December 2016 interview. At the time they had about \$100,000 in business and it was pretty static. His wife, Mary Lou Mott, was from the village of Leroy, PA, and Chadwick got to know a lot of people from the Canton (PA) area. It seemed natural that he should start to write business there.

He subsequently was informed that this was not his turf and was cautioned by Mitten that "you're in Mark Elliot's territory." But it was enough to convince him that there were a lot of potential customers out there, and they were all looking for the same thing: the best protection at the lowest cost.

Chadwick would start hiring more captive agents when in the position to do so, and by 1965, three years after he took over as secretary, there were more than thirty people on the agent list, with Ervin Bluhm, Ernest Wood, Paul Fairchild, and Roger Madigan among the most active agents. Madigan, another Penn State graduate, whose book of business was in and around the county seat of Towanda, would also serve as chief underwriter at one time. By the 1970s, Madigan was the unofficial supervisor of the agents. However, he left the business to pursue a successful career in politics, starting in 1976, with eight years in the Pennsylvania House and twenty-four years in the State Senate, where he was named National State Republican Legislator of the Year in 1997.

The late sixties and early seventies ushered in other sellers like Dwayne "Tink" Crandell, Ward Bailey, Howard Benning, and Wyalusing's Jim Iddings, whose selling skills earned him the nickname "Magic." Iddings would subsequently bring in Max Gannon, Jr and Russell "Rusty" Williams. By 1972, the captive agent era had peaked. Sellers like Iddings, Gannon, Bluhm, and Fairchild wanted bigger books of business, and there was nowhere for them to go.

Captive agents wanted their freedom and were ready to take their books of business as fodder to grow their own independent agencies. Gannon and Iddings were among the first to depart, with

Gannon opening an office in Towanda and Iddings in Wyalusing.

From Agents to Agencies —and a Big Merger

This exodus of talent came at around the time of the 1973 Wayne County Farmers Mutual Insurance Company merger, admittedly a stressful period for Chadwick, but it was also a turning point in the growth of the company. The two companies were about the same size, each with about \$700,000 in volume, and each had its own way of doing things. It was a tough transition during and after. Yet it was what transformed the old Tuscarora Mutual Insurance Company into Tuscarora-Wayne Mutual Insurance Company and set it on the path to the prominence it had achieved almost two decades into the 21st century.

As for freeing the captive agents, it turned out to be a win-win scenario for Chadwick, his board, their policyholders, and the company. The captive agents had propelled the company through one of its most successful chapters, despite the gray hairs

Chadwick confessed it gave him. It created a network of independent agencies who were committed to selling and servicing the various lines offered by Tuscarora-Wayne Mutual Insurance Company.

Captive agents are not the force they once were in the industry as a whole. There are exceptions like State Farm, but most insurance agents today sell for multiple companies, increasing the need for insurance underwriting companies like Tuscarora-Wayne to stay abreast of the competition.

“It turned out to be a blessing for both us and some very talented agents,” Chadwick confessed years after he retired.

Some Special People and Special Memories

Chadwick shared some selective memories and observations from his association with the company he was instrumental in building into one of the most respected and highly rated mutual insurance companies in the country.

Its prominence as an insurer and underwriter had been unimagined just a couple of decades before.



Chadwick put John Griffin, the company's legal eagle, director, and former board chairman, and Lew Reinhart, controller, at the top of his list of the most valuable players during his years at the helm.

"John Griffin was very instrumental. He was a brilliant guy. I'd say he, Lew, and I ran the company." Griffin, who died in 2015, was also a close friend. He helped guide Chadwick and the board through multiple mergers in the sixties and seventies, and he was even responsible for changing Chadwick's title to president/CEO, as well as his own, at the time, from president to chairman of the board.

Reinhart, who was hired in 1966 and retired twenty-six years later, was just as brilliant on the financial front. Chadwick valued both Griffin and Reinhart as good friends.

Although he admittedly had no previous training in the insurance field, Chadwick relied on his instincts and ability to read people. Along the way, he relied on a team of key employees and trusted advisors like Griffin and Reinhart to make executive decisions and work with the boards to back him during critical transitions.

In the spring of 2019, there were eight members on the board, all of whom were brought in based on skill set. They are not elected to represent a certain geographical area within the company's prime service area anymore. The functioning arms of the board are committees, each typically comprised of four people with a chairman, and dealing with everything from nominations to compensation and audits.

Other smaller companies with fewer assets were merged or absorbed, Chadwick explained, in "more of what they call a shoe box deal."

Losses, Close Calls, and Insuring against Catastrophe

There were some big losses along the way, but Chadwick had been savvy enough to recognize the importance of reinsurance in absorbing catastrophic losses. In one instance, the company incurred a loss of about \$25,000 when a local farm burned down, destroying virtually everything, including cattle inside. The fire occurred barely two weeks after the policy was written. They were able spread the risk

by reinsuring with other companies, holding the net loss for the company to between \$3,000 and \$4,000.

There were additional close calls that could have scuttled the company. Tuscarora -Wayne Mutual financed the construction of the Department of Agriculture building just outside of Tunkhannock and got their money out of it just before Hurricane Agnes struck in 1972 and flooded the building. They didn't opt to write the flood insurance coverage, or it would have been a devastating loss. They narrowly averted a loss of several million dollars.

In the years when the board member numbers were much more substantial, increased geographically from the mergers, meetings would drag on and might include a list of losses right down to the last cow. Chadwick recalled a typical exchange from those days:

"One of them would say, 'Who adjusted that cow?'"

"I'd say, 'Well, so-and-so.'"

"They'd say, 'He ain't got a cow in that barn worth that kind of money.'"

The original Wyalusing building, like many office, school, and governmental edifices built in the 1950s, had a flat roof. It got to the point, as the years went by, that the underwriters would grab their trash baskets and put them under the leaks whenever it rained. They were running out of office space and endured inadequate bathroom facilities. There was no adequate place for the board to meet in the building.

A major renovation project started in 1986. Al Sowden, a claims adjuster for the company and a former building contractor from Lansdale, PA, is credited with initiating some of the design aspects and persuading the board to add a second floor. The renovation was already underway on Christmas Eve, a Wednesday, when their holiday spirit dampened by a steady rain. A check of the building revealed that water was coming in everywhere. Jim's son, Jay, had started working there at the time and the two of them, along with Sowden and a handful of employees, worked most of the night protecting the computers and trying to keep things dry inside. Water invaded the vault and damaged quite a few policies filed inside.

The Monday after Christmas, it was business as usual.

Coexisting with Computers and a Few Firsts

Computer technology in its most primitive stages arrived at the company in the seventies, about one hundred years after the company was founded. It was a punch-card system and required transporting those cards to Keene, NH, where they would be processed with the data on losses and loss ratios contained in bulky books of paper.

By the 1980s they were using the Redshaw Computer System, a green-screen monitor system developed for the insurance industry and a step in the right direction.

Chadwick was thankful he didn't have to lead the way technologically. By the time the laptop became a staple in American business, he had his own sitting on a cadenza in his office: "I never turned it on. I didn't know how to turn it on. I didn't want to turn it on, and that's when Jay came in."

Despite his lack of computer skills, Jim Chadwick liked to mention some of the "firsts" the company can claim in Wyalusing at least:

- First building in Wyalusing to have a modern (electric-powered) elevator.
- First business in Wyalusing to have electric typewriters— IBM Selectrics that at least one bank president came to check out.
- First copy machine in a Wyalusing business, though it dominated the space of the room it was in. "We put it back in a corner and put sheets under it because there were bags of fluid. Then we dried the paper on what looked like clothes lines."

Throughout the seventies, eighties, and into the nineties the company had to adapt time and again. They learned from occasional mistakes and setbacks and, under Jim Chadwick's leadership, kept moving forward.

The Right Person at the Right Time

With success comes growth, and that growth includes not only the number of policyholders but the geographical area being accommodated. The philosophy, as proclaimed by long-time director Garfield Kerrick, was "put the tape around the individual twice and the risk once." That means that people are more important than the property when assigning risk.

Their first underwriter by job description was Don Stearns, an ex-school teacher from New Milford who Chadwick brought aboard after the Susquehanna Grange Mutual Insurance Company merger in 1963. Stearns drove to and from New Milford every day, establishing some stringent guidelines ultimately brought before the board for final approval. After Stearns came Karl Snyder and the number of underwriters increased.

The annual meeting was traditionally a big event where so-called members gathered for years at the Spring Hill Community Hall for what some liked to call "the big feed." They ate and took care of business, electing their representatives. Even Chadwick was up for election each year. A typical meeting could last for hours with lots of discussion, occasional arguing, various suggestions, and elections. Now there are policyholders in multiple states and not everyone is local anymore. The annual meeting is still held, and all members are still invited via public advertisement.

Jim Chadwick was the right person at the right time for the company. Perhaps his greatest strength was having the right people with the appropriate knowledge and skills around him. Whether it was John Griffin or Lew Reinhart, who died in July 2015 and February 2018, respectively, or the dozens of directors with whom he worked over three decades, Jim took advantage of the resources at his disposal for the good of the company.

James William Chadwick retired as president & chief executive officer in 1992 and was succeeded by his son Jay W. Chadwick, who continued at the company helm with a crack management team. He enjoyed a long and active retirement.

Jim passed away on June 23, 2018.



Remembering the Captive Agent Years

Captive agents were a big part of the growth and success in the 1960s and into the 1970s of what is today the Tuscarora Wayne Insurance Company. Captive agents worked and sold policies for the company alone.

Two of those agents, Max Gannon and Jim Iddings, moved on to own their own successful independent insurance agencies, and then to grow and thrive, as did the company that gave them their start in the business.

“In the early sixties, Roger Madigan, Karl Snyder, Erv Bluhm, Dwayne “Tink” Crandall, and Paul Fairchild made up the team,” said Gannon, who grew up in Wyalusing and was still a kid at that time. “As the company grew... that opened the door for

new blood, with Jim Iddings leading the way.”

Iddings started selling and servicing policies in the 1960s as he recalls, not long after the merger that changed the corporate name to the Tuscarora Mutual Insurance Company. He was there as a top seller during the last of two decades in which the in-house producer, or captive agent, helped catapult the company into the force it was to become. In many ways, it was the exit of a nucleus of the captive agents that accelerated the growth and success of the company as well as those agents.

Iddings was recruited by Jim Chadwick, who realized that he was an aggressive seller who was comfortable talking with people at their kitchen tables, making them feel at ease with his folksy charm.

Working for World Book Encyclopedia at the time and admittedly making a decent living, Iddings met with Chadwick after returning from one of his trips to World Book headquarters in Chicago. His first exposure to the company was at the Troy Fair when his World Book booth was next to Tuscarora’s, manned by Madigan, Crandall, and Snyder. Madigan, by that time, was the leader of the agents. Snyder was in charge of claims. They hit it off and a seed had been planted.

Chadwick approached Iddings not long after that and they were able to come to terms. Iddings became a captive agent at a salary of \$500 a month, he remembers, plus extra income for new policies sold: “After Jim Chadwick hired me as a captive agent and asked if I would recommend anyone else, I suggested Max Gannon.”

Gannon, just out of college and working in sales at a men’s clothing store in New Jersey at the time, was recently married and starting a family. Gannon, while in college at the Indiana University of



Pennsylvania, had worked summers with Iddings selling encyclopedias.

Following his mentor's lead, Gannon would leave the company's employ in 1973, buying Roger Madigan's book of business and starting an office in Towanda. But he never really left, continuing a decades-long relationship with the company as they grew together. He went on to become the founding president and CEO of Gannon Associates, one of the largest independent agencies in Northeastern Pennsylvania. Iddings, too, built a highly successful agency, operating out of offices in Wyalusing and Dushore.

A Year of Free Coverage?

Iddings started out working as an agent or producer with Ernie Wood, who lived in Liberty Corners. At the time, they were using a post-assessment system, which was common with mutual insurance companies that principally served farmers as their policyholders. Basically, those they insured were paying their premiums at the end of their year of coverage instead of at the beginning. They were essentially paying for their product after they used it. That could be a problem for a small insurance company. If there were major losses, say from a hurricane or flood or an unusual number of fires due to lightning strikes, there might not be enough money in the coffers to pay off claims.

The agents, Chadwick, and some board members realized that paying the premium after the coverage year was not a sound way of assuring claims could be paid in a year of significant or catastrophic losses. Hurricane Hazel in 1954 proved this to be true. Even though the existing policyholders might not welcome having to pay ahead of their coverage year—actually paying a double annual premium in the year of transition—Iddings remembered that it was not so hard convincing policyholders that it was the fair way of doing business.

"I reminded them that when they first took out the policy, and ever since, they were actually getting a free year of coverage."

Iddings also recalled that when they transitioned to paying in advance, it was a productive year financially for the agents.

There are other memories of his entry into the insurance business with Tuscarora Wayne Insurance Company.

"I remember Walter Mitten wanted to meet me," he recalled of the former Farmers' Mutual secretary when he found out Iddings was interested in becoming an agent. "He wanted to take me on a walk down Water Street in Camptown and tell me how it was; what it was all about. He told me what they expected of me and that it was important I be an honorable person."

Iddings trained with Madigan and Betty Stevens, who filled the role of business manager at the time. He went out in the field selling and servicing policies with Ernie Wood. Meanwhile, Crandall and Madigan were backing off from working in the field, with Madigan more interested in coordinating the sales team from the office.

Captive Agent Era Nears End

Iddings remembers the process of recruiting Max Gannon, which ended with the two of them floating down the Susquehanna River where the deal was sealed—except for getting Chadwick's okay. He remembers the dialogue with Chadwick afterward going something like this:

Chadwick: "Did you get to talk to Gannon this weekend?"

Idding: "Yeah, we floated down the river and drank a little beer. I think he'll come to work for us. The only thing is I offered him \$600."

Chadwick: "What? That's more than you make!"
Iddings: "Well, he's not going to work for five, so I offered him six."

Chadwick: "Well, who do you think is going to pay for it?"

"I said, 'You are!' And he did," Iddings recalled with a broad grin. "It didn't take me long to get six hundred for myself after that."

He said that he learned the fundamentals of the business selling for Tuscarora Mutual Insurance Company, thanks to practical experience and the training they provided. He also got into selling policies for Celina Mutual and National Grange Mutual while working there.

Iddings subsequently bought the book of business

for Wyalusing and purchased the downtown building his agency now occupies from Jerry LaFrance for \$7,000. Then it was a matter of committing via contract to continue selling and servicing the line of the newly renamed Tuscarora-Wayne Mutual Insurance Company. It was several thousand dollars' worth of business that had been in the books for years, plus what he picked up himself.

Gannon, who Jim Chadwick credited with forcing the company's transition from captive agents to relying on independent agencies, considered joining forces with Iddings. However, he subsequently made the move to Towanda.

"They basically had to do it (go with the independents and not captives)," Iddings said. "Once Jim was convinced that was the way to go, it turned out to be a smart business move extricating themselves from the captive agent approach."

The captive agents were selling strong in the early seventies and, at Tuscarora-Wayne Mutual Insurance Company's peak, Gannon and Iddings were leading the way in the northern and southern territories, respectively, with offices in Towanda in the north and Wyalusing in the south. The company continued to work closely with both Gannon and Iddings as their agencies expanded to represent insurance companies. It also opened the door for them to offer packages to their customers along with their property and casualty coverage.

Gannon, Chadwick Work Together

Gannon, in his early twenties, had only been with Tuscarora Mutual Insurance Company a matter of months in the late summer of 1973 when its merger with Wayne County Farmers Mutual Insurance Company in Honesdale took place. The handful of Wayne County Farmers Mutual Insurance Company agents owned their own business with the company and, with the merger, began selling through the newly created company — Tuscarora-Wayne Mutual Insurance Company.

Meanwhile, Gannon had been studying for his certification as chartered property casualty underwriter and was commuting to Scranton weekly on Monday nights—a process that would take five years. Jim Chadwick arranged for the sale of one



Wayne County Farmers Mutual Insurance Company agent's business to Gannon, but also asked Gannon, as he later recalled, "to call on the agents in Honesdale on those days of his trips to Scranton" to assist them in writing new business.

"So had begun a transformation from captive to all independent agents," said Gannon of the opening of Gannon Associates' inaugural office in Towanda, complementing the Iddings Insurance office in Wyalusing.

Wyalusing emerged in the mid-seventies as something of an insurance mecca. Tuscarora spawned a group of former captive agents who, like Iddings and Gannon, started their own agencies. Furthermore, Tuscarora-Wayne Mutual Insurance Company would also continue to thrive as it approached a century-and-a-half of serving farm, home, and business owners across the state and the country.

Iddings feels that Jim Chadwick deserved a lot of credit for what the company has become:

"He was a good manager. He made the company grow, and he knew how to get the right people at the right time."

Gannon would not only agree, but credits Chadwick and his team at Tuscarora-Wayne Mutual

Insurance Company for a good deal of the success of his own agency over the years. That team included Lew Reinhart, the company's business manager, who would retire with the title of vice president and chief financial officer, and John Griffin, long-time board member, its former chairman and, as an attorney, close advisor and friend to Jim Chadwick. Madigan was always someone to whom Gannon could turn for advice, even after leaving the company for the political arena.

Gannon recalls what he calls "the hectic eighties and nineties" when he purchased fourteen agencies. "Tuscarora-Wayne Mutual Insurance Company financed all or part of these acquisitions under Jim Chadwick's direction," Gannon said, adding that continued support was also provided by Jay Chadwick after his father's retirement in 1992.

During the growth of his agency, Gannon relied on key people at the company in the acquisitions that have helped make his agency the force that it is.

"I would get the sale, Lew Reinhart would build a P&L (profit and loss), Roger Madigan would advise on the sales side, and attorney John Griffin

would draw up the contracts," Gannon reported. "During this time, Gannon (Associates) grew to an eight-office company (in 2018 there were twelve) with multi-millions in premium value."

It was a partnership, he says, that "allowed Tuscarora-Wayne Mutual Insurance Company and Gannon Associates to grow together."

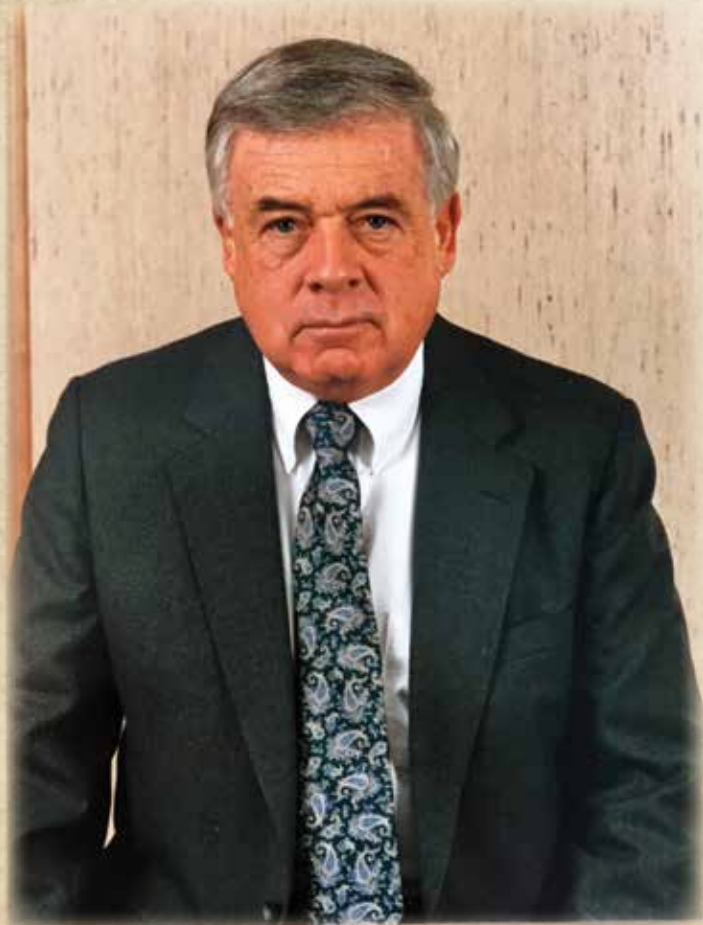
Gannon benefited from Jim Iddings in the early years of his career and subsequently from Jim Chadwick and his team: "I was blessed to have their guidance and mentoring on my side."

He describes it as "the spark and the energy that allowed Gannon Associates to grow," with more than 130 employees, as well as customers in every state in the country.

Iddings described the regional impact of Tuscarora-Wayne Mutual Insurance Company on the insurance business thusly:

"Wyalusing was insurance central. The company spawned a group of independent agencies. They are now among the biggest mutual insurance agencies in Pennsylvania."

Jim "Magic" Iddings passed in 2021.



John Griffin



Lew Reinhart

HUMOR THROUGH THE YEARS AT

Tuscarora

The first issue of Smoke Signals from Tuscarora came out in March 1965 with Don Stearns editing this unusual company newsletter— a combination of industry and company news, office gossip, and his offbeat brand of humor.

Stearns was chief underwriter at the time and had come over from the Susquehanna Grange in the 1963 merger that changed the company name to Tuscarora Mutual. Stearns drove to and from his home in New Milford every day.

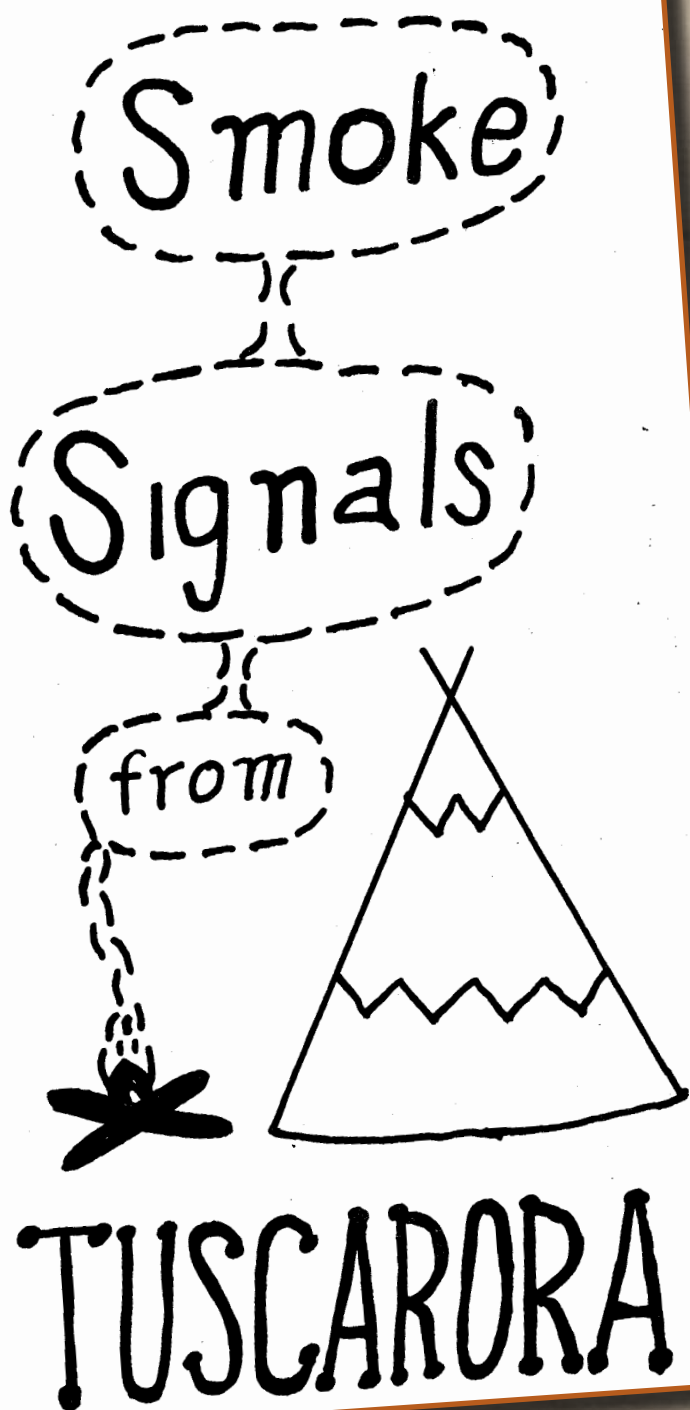
In the October 10, 1966, issue of Smoke Signals, Stearns took note of the following statistic on fire premiums paid in versus money paid out in claims for fire damage, which had showed a loss of over \$19,000 in 1965: “What would happen if we were only writing fire insurance? The answer is only too obvious. Yet our farm mutuals were born and nurtured on fire alone.”

The message was that they had to work resolutely to build their other lines. Items in Smoke Signals could be thought-provoking, even inspiring agents, underwriters, and other employees to work hard. It was also the source of the humor that is so important to morale and camaraderie in any successful business.

In June of 1978, Don Stearns received a faux telegram that a recent inspection on his dwelling revealed a number of “hazards” requiring immediate attention before the next inspection. These included the following: removing all trees within fifty feet of his dwelling, building a dike to prevent flooding, and removing “a fierce dog” from the premises.

Never one to be outmaneuvered when it came to a gag, Stearns responded by noting all had been taken care of, including bringing in a family of beavers to “take care of the dike problem” and the following revelation: “I shot the dog, which, incidentally, was owned by my neighbor.”

Tuscarora-Wayne Mutual once put out bumper stickers in the early 1980s when the old Towanda river bridge across the Susquehanna River, connecting



Route 6 West with Bridge Street in Towanda, was on its last legs. It was a humorous way of pressuring the construction of a new, safer span.

The sticker said: "Pray for Me... This Vehicle crosses the Towanda Bridge... We Take Risks too!" Across the bottom of the bumper sticker was a streamer: TUSCARORA-WAYNE MUTUAL INS. CO.

The Tuscarora-Wayne Mutual Insurance Company family has never been afraid to go for the funny bone, as was the case in January of 1993 when John J. Griffin, chairman of the board, sent an advisory memo to new president and chief executive officer, Jay Chadwick. Jay was still learning the ropes after succeeding his father, Jim, who had retired as president effective December 31, 1992.

The subject was policy changes due to budget constraints. Among Griffin's suggestions to save expense money were: dining at all-you-can-eat restaurants "as one plate can be used to feed an entire group." Griffin further suggested that employees should become familiar with "indigenous roots, berries, and other protein sources available at their destinations."

The final tongue-in-cheek proposal was to stay with friends and relatives, if possible, on business trips and that "hitchhiking in lieu of commercial transport is strongly encouraged." And thus were additional budget cutting "policies" enumerated.

Humor has been a fixture at Tuscarora Wayne Insurance Company over the years, fueling both

teamwork and the competitive spirit.

Jim Chadwick could take a joke as well as anyone, especially with Griffin around, and Jim Iddings remembers that he could also handle the unexpected as well. Jim himself smiled at the recollections of some potentially disastrous situations along the way when interviewed in December 2016.

One company acquisition explains why a sense of humor can help the chief executive of an insurance company maintain his sanity. After the aforementioned merger with a small mutual insurance company in a nearby county, Lew Reinhart went to retrieve their assets after the transaction was approved.

"He came back with a cigar box with cash in it," Chadwick recalled. Their total premium volume was barely \$10,000 a year, which was what they would have to tap into to pay off claims. Their biggest insured property was a bowling alley with \$100,000 coverage on that risk and no reinsurance to help accommodate its loss. Chadwick called the company's secretary, expressing his concern about covering that potential claim.

"I asked the secretary what would happen if that burned, and he said, 'Well, it ain't burnt yet.'"

Admittedly it wasn't funny at the time, and it wasn't a loss that had to be covered. And yet, years later, Jim Chadwick still couldn't resist a smile at the remembrance of this and other memories along the way as the company negotiated a course through changes in the economy and insurance industry.



Jay Chadwick: FROM THE 1990S INTO THE New Millennium...



Note: The interviews and viewpoints expressed in this chapter were conducted in 2016 and 2017 before reorganization and acquisitions that transformed the corporate structure of the company founded more than 140 years before as the Farmers' Mutual Fire Insurance Company of Tuscarora. The titles and some job descriptions of the respective respondents may have changed since 2018 due to the restructuring, as well as promotions, job transfers, and retirement.

When Jay W. Chadwick came to Tuscarora-Wayne Mutual Insurance Company as a management trainee in 1985, Ronald Reagan was President and “Back to the Future” was the top grossing movie of the year. Eight years later, he would take over the reins of the company from his father and

his mission was to take it forward into a future that, due to quickly emerging digital technology, seemed to be presenting new challenges by the day in an increasingly competitive market.

Jay grew up in the picturesque village of Camp-town, PA, in a historic home overlooking the Wyalusing Creek, the son of Jim and Mary Lou Chadwick. He was the only son and eldest of three siblings, followed in age by sisters, Gina and Julie. It was, in many ways, an idyllic childhood, and he didn't have to travel far — barely a five-minute walk— to find Barbara Skillings, the woman who would become his wife and mother of their two children. There was a distinct difference between Jay and most small-town boys growing up in the 1960s. He was, whether he realized it or not, exposed while still a child to what would become his life's work. He fondly remembers traveling to state and national insurance conventions, his parents hosting gatherings of the full board of directors and his father's dedication to his job.

Despite the dawn of a new age in the insurance industry, as Jay faced the challenge over the next quarter century and beyond, the family atmosphere at Tuscarora Wayne has continued to be as important to him as it was to his predecessors. Jay's Golden Rule has always been to treat others how you want to be treated.

It was Jay and his college roommate and former Tuscarora-Wayne underwriter, Scott Zaner, who are credited with coining the company philosophy and continuing mission: “Serving the Underserved.”

The companies continue the tradition and mission of providing coverage for homes and businesses that other companies aren't as interested in writing because the accounts “have a little hair on them.”

Dramatic Changes Seen Since 1993

The corporate footprint of Tuscarora Wayne expanded markedly over three-and-a-half decades up until 2018 when major corporate restructuring was implemented. The overseer of much of this dramatic change has been Jay Chadwick, who took over as President/CEO in 1993. When Jay first came to Tuscarora-Wayne Mutual in 1985, the company surplus was about \$5 million. During his tenure at the company helm, the surplus increased to over \$100 million.

The 1978 Penn State graduate, who majored in Insurance and Real Estate, cut his teeth in the insurance business before returning to his native Wyalusing area to accept a position as a management trainee. Before joining the company in 1985, Jay worked for St. Paul Fire and Marine Insurance Company Springfield, MA; Syracuse, NY; and Milwaukee, WI. Tuscarora-Wayne Mutual Insurance Company was writing homeowners, farm owners, and special multi-peril policies (SMPs) at the time,

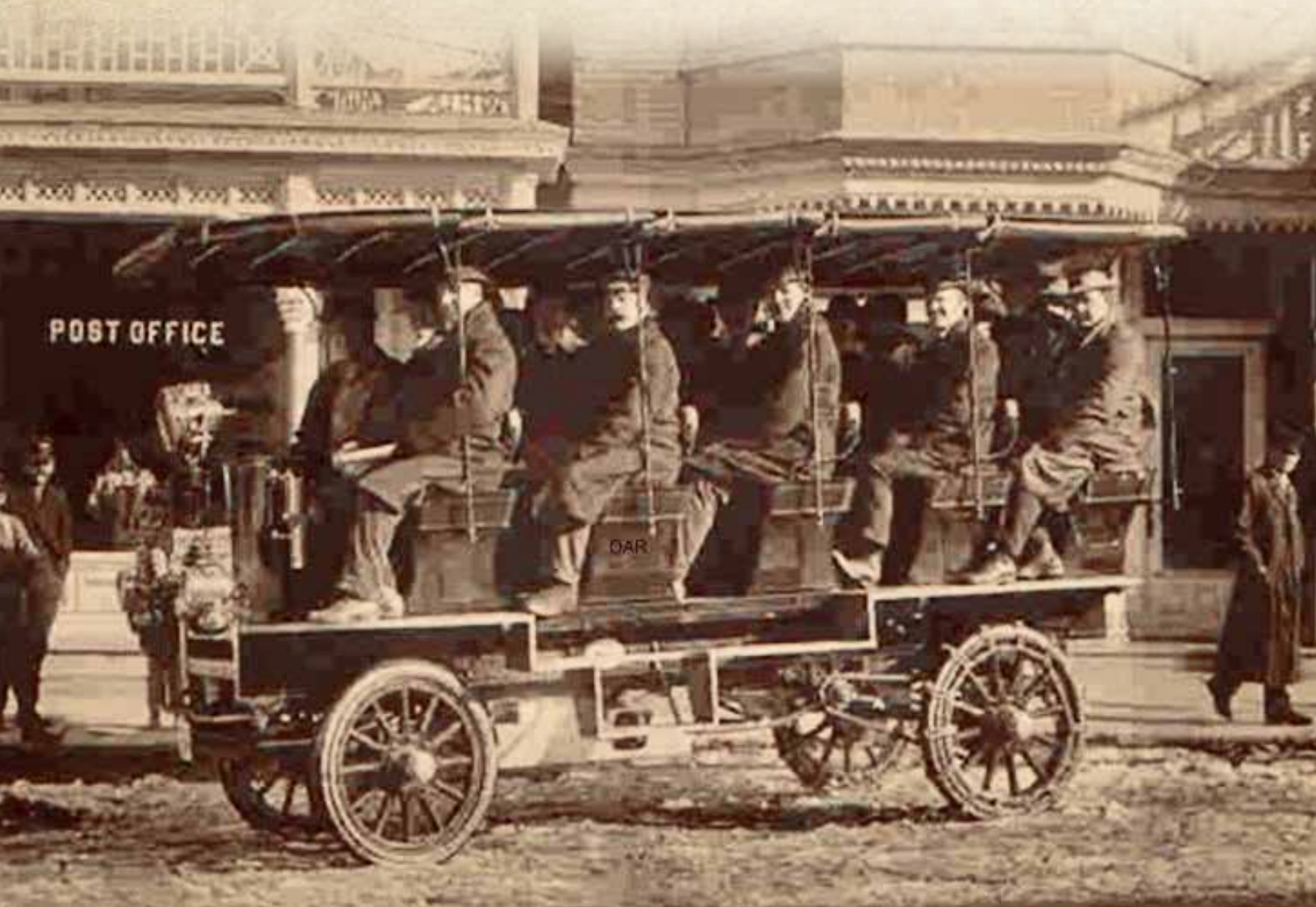
and Chadwick respected the traditions and mission of the company, while grasping the challenges in technology that lay ahead with the approaching new millennium.

“When I came in, I asked for my training schedule and they kind of laughed at me. It was very seat-of-the-pants and a very comfortable place to be,” said Chadwick, son of his predecessor, President & CEO James W. Chadwick. “It was more of a family atmosphere and not a hard-charging business.”

That was the easy part, because greater challenges lay ahead.

Surrounding Himself with Talent

Changes in technology, advancing at a dizzying pace in the insurance industry, would be the greatest challenge. He realized this almost immediately after being chosen to succeed his father by the board of directors. He also realized that he needed a skilled and knowledgeable management team to help him achieve his goals.



“Sheer economics drove us to want to build the company,” he explained. “You also need enough management talent. You can’t just ask one person to know accounting and claims and underwriting and marketing and technology and human resources.”

That meant recruiting talent from “the outside world” to build a department beneath them for each of the above specialties. This management team, as it existed up to 2018, consisted of the following: Todd E. Salsman, chief operating officer; Brian K. Bolinger, chief financial officer; David J. Schweitzer, chief claims officer; Shelby W. Napoli, chief corporate relations officer & corporate secretary; and Daniel J. Borges, chief information officer.

Every member of this team will tell you that, as Borges said, the “management environment” is all about openness, sharing responsibility and working together to get things done. Borges had to hit the ground running and continue the work of his predecessor, Martin Burns.

Technology under much of Jim Chadwick’s leadership was basically limited to accounting and

making sure the numbers were right. Under Jay Chadwick they have entered the era of big data and predictive analytics. Chadwick is confident he has a team that is up for the challenge.

As he reported back in 2017:

“What’s happening to the business now is that it is being underwritten by a lot of computers. They build a box around a risk, and the agent clicks on a restaurant, for example. You fill in the blanks and the computer spits out the type of coverage and the premium cost.”

That is big data or predictive analytics. Tuscarora Wayne Insurance Company and its sister companies, Keystone National Insurance Company and Lebanon Valley Insurance Company, became part of this advance in 2017, replacing their entire computer system and essentially reinventing their technology. Borges and his department worked with their chosen provider, Guide Wire out of San Jose, CA, in building their base system with compatible software for all aspects of the business: policy administration, billing, claims, underwriting, accounting, and reinsurance.



“Keeping up with technology is the thing that is going to make us or break us,” predicted Chadwick.

The technology allows companies to have productive and plugged-in staffers who don’t have to be physically on the business premises. People began working from home as the company transitioned into the 21st century, and it is often difficult to get the people you need to physically come to where you are. There was one woman who worked from home in Texas, said Chadwick, as well as Cincinnati, Pittsburgh, and elsewhere. There were groups in offices in Lock Haven and Lebanon, PA. Near the end of this chapter of Tuscarora Wayne history, in September 2017, there were 65 employees with fewer than half of them working out of the Wyalusing office.

Chadwick realized even then that the consequence of all of this might be “essentially no human interaction” as these systems become the go-to way of underwriting insurance coverage. He also proclaimed that he will never forget this is still a people business, with Tuscarora Wayne assuming the risks on the most important things in customers’

lives— their families, homes, and businesses. The company, Chadwick assured, would continue to be committed to being physically present for those who need them.

“We’re known for writing business that other companies aren’t as interested in writing, serving the underserved, and that’s still part of what we do,” he said, acknowledging that not everyone can conduct their business online. There are assessments that are always easier and fairer to make, from coverage issues to settlements of claims, when you are seeing what the customer is seeing.

Mining for Data Keeps Companies Competitive

Information started to become the most valuable commodity in the increasingly competitive insurance market. Companies were, more than ever, begging, borrowing, and stealing data and Chadwick conceded that this is “the future of insurance.” People are going online to compare, research, and circumvent dealing with an agent in

Farmers' Mutual Observes Big Year



The Farmers' Mutual Insurance Company of Tuscarora held its annual meeting at the Wyalusing Valley Joint High School on Saturday with policy holders, directors and staff members pleased with the reports they heard on the firm's remarkable progress during the past year.

Treasurer, R. L. Culver, reported that the firm now has \$112,000,000 of insurance in force and the surplus to policyholders was increased from \$340,547.21 in 1960 to \$390,712.75 in December of 1961. The firm has also expanded its coverage to include home-owners policies.

Among the directors elected for a new term of three years were: John Culver, T. C. Lyon, J. G. Kerrick and Frank O. Robinson.

Dinner was served to 352 policyholders and guests by the Spring Hill WSCS in the school cafeteria. The group moved from that room into the auditorium for its business meeting and entertainment including an outstanding performance by Robert Thrasher, master magician, of Montrose, Pa.

the following officers, directors and staff members of the fast-growing concern:

Back row: (left to right) Bruce Dodge, Ralph Culver, T. C. Lyon, J. G. Kerrick, Frank Robinson, Irving Macafee, Robert Browning, Alice Allyn and Kathryn Mitten.

Front row: (left to right) J. Walter Mitten, Roger Madigan, Gerald Shumway, James Chadwick, John Culver, Shirley Roberts and Ervin Bluhm.

Photo by [unreadable]

1961 Annual meeting newspaper clipping in the 92nd anniversary year. This newspaper photo was taken prior to the 1963 mergers and when we were still the Farmers Mutual Insurance Company of Tuscarora and J. Walter Mitten was secretary. The photo also included Jim Chadwick, who would succeed Mitten as secretary in 1962. This group includes directors and staff at the time. Back row (from left): Bruce Dodge, Ralph Culver, T.C. Lyon, J. Garfield Kerrick, Frank Robinson, Irving Macafee, Robert Browning, Alice Allyn, and Kathryn “Kate” Mitten. Front: Mitten, Roger Madigan, Gerald Shumway, James Chadwick, John Culver, Shirley Roberts Quick, and Ervin Bluhm.

a physical setting. Looking ahead to the approaching decades of the 21st century, there may not be a need for any human contact at all to go throughout the whole process of getting insured.

Still Chadwick was optimistic with the end of century's second decade almost three years away: "I don't know what's going to happen. I think we're good. We're the smallest A+ (superior) rated company in the country, maybe in the world. The bar keeps getting higher and higher and higher and we're still in there."

The crux of an A+ rating from A. M. Best Company, which rates the financial strength of insurance companies, is your ability to pay claims by, as Chadwick puts it, "looking under the hood at hundreds of different ratios." This includes many factors, aside from efficiency in paying claims, including 100-year storms, and even how much protection you buy from reinsurers.

Covering Risks of Catastrophic Events

Although Jim Chadwick was the first to budget reinsurance to cover bigger risks going back more than forty years at Tuscarora Wayne, reinsurance and its role in the insurance industry was considerably different back then.

"That was when reinsurers started coming into our world," Jay Chadwick said of what seemed like the distant past but was, in reality, just a couple of decades before. They started becoming a factor during his father's years at the controls, assuming more importance in the 1970s. Tuscarora Wayne started paying for reinsurance with AMRICO (American Reinsurance Company) out of Chicago.

Their 21st century reinsurance needs, or assumption of catastrophic risk, as of the writing of this history, are shouldered by one company—Munich American Reinsurance Company (Munich Re). "They will take all the risk we want to lay off." Covering this risk is a conspicuous budget expenditure, second only to the hundreds of claims paid out in a given year. Choosing reinsurers may change with the years or decades, but in a business in which risk is a critical factor, the company must protect itself and those it insures from catastrophic risk to not only survive but thrive.

The philosophy of the late Garfield Kerrick, a director over the span of several decades, starting before the first mergers in the early 1960s, was: "Put the tape around the individual twice and the risk once." It is still adhered to in the digital era as an element of

the "Serving the Underserved" mission statement. It means the people are more important than the property when making the decision to insure.

"Disciplined Underwriting" at TW

The underwriters are still the heart and soul of the company, and they are often involved in every aspect of the process.

Underwriters are regarded as the hub of the wheels that move the business. Chadwick credited "disciplined underwriting" and "easier access to decision-making" for its customers as among the company's strengths.

The agents are no longer captive, and the policies are sold and maintained out of dozens of independent agencies. The agents know the customers and can best assess the risks by discerning the character or reliability of those they insure. In their system at the time, every underwriter worked with eight host agents. In was a matter of keeping in touch and trying "to grow as much as possible with the right agents."

The agents know their neighbors, and the underwriters, meanwhile, know the agents, and that's a pretty good system for monitoring and predicting risks.

Thus, we conclude the history of Tuscarora Wayne Insurance Company at the advent of 2018, which encompasses almost 145 years.







Why Mutual Insurance Companies?

Mutual insurance companies serve about twenty-five percent of the property/casualty market in the United States, according to the National Association of Mutual Insurance Companies (NAMIC), but many consumers don't understand what makes them mutual.

The simple explanation is that if you are insured by a mutual company like Tuscarora-Wayne, you are one of its members. Policyholders, in fact, own the company in its entirety, excluding holdings separate from the company. If the company is doing well financially and earning a profit, policyholders benefit, which could mean cutting future premiums or keeping it in the company coffers to invest or save for a proverbial rainy day. That rainy day might be anything from economic hard times like a recession to paying out extraordinary amounts in claims due to some catastrophic event.

That's not so different from the options available to any business owner.

Many of the old mutual insurance companies included "Fire & Storm" in their titles, and we've seen how catastrophic both fires and storms have been in these United States in recent years.

The number of mutual insurance companies in Pennsylvania alone have dwindled dramatically in the past two decades. That does not necessarily mean that they are going out of business, but, in all probability, they have merged to become stronger and to gain the resources to compete in times when major investments are crucial in technology and marketing.

Tuscarora Wayne is an example of one company that was essentially created by the absorption or acquisition of at least nine other companies since 1963. That means nine may have been consolidated into one, but the one surviving is strong, thriving, and facing a productive future for itself and, by ex-

ension, its policyholders.

Tuscarora Wayne has expanded and strengthened via traditional mergers, including four key ones between 1963 and 1973 that essentially secured Tuscarora Wayne's future and prosperity. But there were options, including holding company conversion, reinsurance assumption, and creating separate entities within the group of companies. For a brief look at some of these key consolidations and acquisitions, see "Key Mergers and Acquisitions" in this corporate history.

In 1993-94, ninety-five mutual companies were members of the Pennsylvania Association of Mutual Insurance Companies (PAMIC), including eleven outside Pennsylvania in Maryland, Delaware, Massachusetts, and Ohio. By 2016 more than half of those companies (fourty-nine) were no longer on the membership list.

The median age of a mutual insurance company in the United States is 120 years, NAMIC reports, and that tells you a lot about the durability and reliability of this sector of the insurance industry. Tuscarora Wayne holds its own in the longevity department as it approaches 150 years of age.

"In general, the goal of the mutual insurance company is to provide its members insurance coverage at or near cost, since any dividends paid back to members represent excess premium payments," according to PAMIC.

Jim and Jay Chadwick served as board chairs of the Pennsylvania Association of Mutual Insurance Companies – Jim in 1974 and Jay in 1998.

In 2009 the board directed the conversion of the Tuscarora-Wayne Mutual Insurance Company to a mutual holding company structure. This framework preserves the integrity of mutuality while providing access to capital markets. This “spirit of mutuality” led to our motto, A Mutual for All Mutuals™.

In 2018 Jay Chadwick stepped back as the president and chief executive officer of Tuscarora Wayne, Lebanon Valley, and Keystone National to build out his strategic vision of providing people, technology, and capital to the mutual insurance industry.

Mutual Capital Group, Inc. provides services to its subsidiaries and the mutual insurance industry based on the four cornerstones of people, technology, capital, and a strategy to win.

To this end Mutual Capital Services, Inc. (2021) provides people; Mutual Capital Analytics, Inc (2019) provides technology; and Mutual Capital Investment Fund, LP (2021) provides capital. These three cornerstones working in concert with each other assists our insurance companies as well as our mutual brethren with a strategy to win.

By providing shared services, the companies will gain bench strength and scale to reduce fixed costs.

In 2023 Jay W. Chadwick retired from the Mutual Capital Group, Inc. as its chairman, president, and chief executive officer.



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