

SINCE 1825



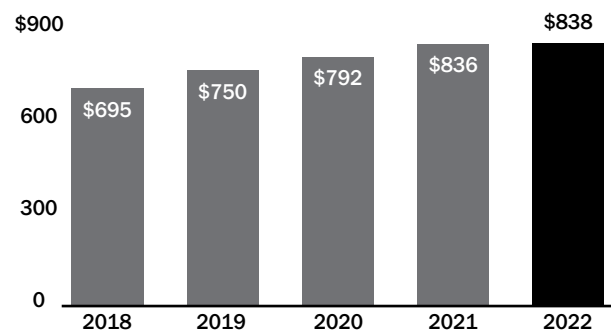
Locally Grown Insurance®

ANNUAL STATEMENT

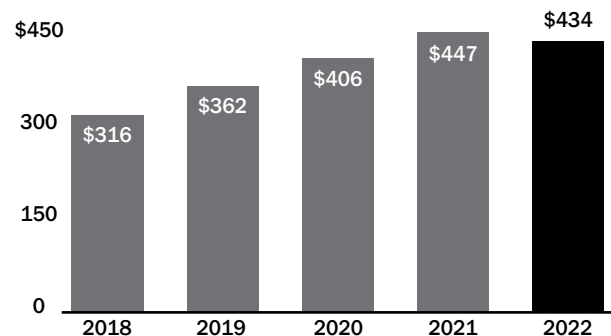


Financial Performance

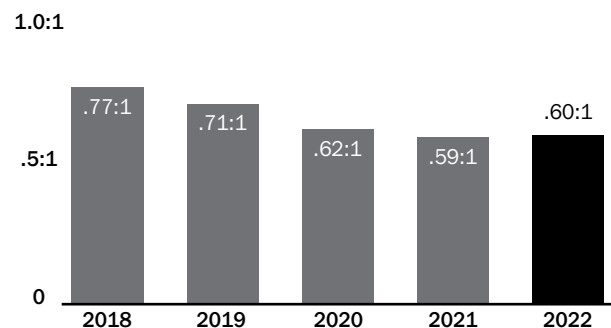
Assets (millions)



Surplus (millions)



NWP/Surplus (ratio)



President's Message

The N&D Group's 198th year saw the historic completion of our new, state-of-the-art facility along the Charles River in Dedham, MA. As hybrid work has become a valuable tool, it is increasingly important that the in-office experience be thoughtful and dynamic. We welcome our partners to visit our new headquarters, crafted with intention and purpose to be the heart of The N&D® Group's collaboration and teamwork with all our stakeholders.

In addition to improving our physical infrastructure, we continued the rollout of our NextPakSM digital platform, a homegrown policy management system that provides an industry-leading agency experience and serves as the foundation for all our production-oriented system development.

The year was challenging for the insurance industry as a whole. Normally uncorrelated, even negatively correlated, equity and fixed-income markets receded together, in conjunction with historic inflation and the start of what may be the most difficult reinsurance environment in history. As a result, while The N&D Group saw policyholder surplus drop by 3%, we still outperformed the industry overall.

We achieved strong underwriting results, including a combined ratio of 95.5% with 11% direct written premium growth in our core states of MA and NJ. We have now recorded combined ratios of less than 98% in 6 out of the past 7 years.

In addition to our efforts to support policyholders and agents, positively impacting the communities in which we live and work remains one of our critical core values. The N&D Foundation supports numerous charities, including the Greater Boston YMCA, the Dedham Community House, and the Dedham Food Pantry, to name a few.

There is much I could say about our recently retired Directors, Stephen A. Fine and F. Timothy Hegarty, Jr., who together have over 50 years of combined service at The N&D Group. There can be no doubt that their dedication, integrity, and business acumen have been integral to our long-standing success. It is a bittersweet moment, indeed, for us to say goodbye and offer our thanks and best wishes on their retirement.

Finally, we extend a sincere thank you to our policyholders, employees, agents, and Boards of Directors for your ongoing trust, support, and effort. As always, The N&D Group remains dedicated to our mission to provide financial security to our policyholders through an exceptional client experience, affording them peace of mind.

Joel P. Murray, CPCU
President & CEO



The New 222 Ames Street

Our new headquarters was thoughtfully and intentionally designed to be an innovative, state-of-the-art facility for our employees, business partners, and guests. Our physical plant honors the history and legacy of the organization and builds a symbolic bridge connecting our past of rock-solid strength and stability with our promising future of innovation and continued service. The N&D Group is focused on being here for another 200 years.

In addition to recognizing and reflecting our heritage in the Dedham area, the new building design focuses

on sustainability and minimal environmental impact. Features include a 208-panel rooftop solar array, a fully electric VRF HVAC system, and multiple electric vehicle charging stations.

Other amenities include a full-service café, fitness center and locker room facilities, as well as ample natural light throughout. The building also contains multiple modern meeting spaces which we are able to share with our 1825 Club® partners.



The N&D Foundation

The Norfolk & Dedham Foundation, Inc., was founded in 2017 in order for the companies of The N&D Group to expand and focus their charitable giving efforts. The Foundation directly supports The N&D Group's key objective of positively impacting the communities in which we live and work.

Since its inception, the Foundation has contributed \$1.2 million to charitable foundations, schools, food pantries, and community-based organizations. Beneficiaries include Dedham Community House, Autism Speaks, Clear Path for Veterans, Pine Street Inn, Toys for Tots, and the Greater Boston YMCA.

Along with the Foundation's impact, our employees have the opportunity to participate in various charitable events during the year, including volunteering work hours at Cradles to Crayons and Pine Street Inn. Employees have sponsored 300 under-served children over the last 3 years through an annual holiday gift drive. The N&D Group also offers a Matching Gift Program for employees in order to double contributions to charitable organizations of their choice.

THE NORFOLK & DEDHAM
FOUNDATION



With Gratitude

F. Timothy Hegarty, Jr., CPCU

On behalf of the employees, retirees, and past and present Directors, we express our deepest gratitude to Tim for his years of service and the tremendous and long-lasting impact his leadership has contributed to The N&D Group and its continued success.

Tim's distinguished career at The N&D Group began in 1984 when he joined as Vice President of Marketing. In 1990, he became President and CEO as well as a member of the Boards of Directors.

His leadership carried the organization through hurricanes Bob (1990), Andrew (1992), and Sandy (2012), among numerous other impactful events to the insurance industry. For thirty-nine years, Tim's vision, drive, and dedication to the policyholders of The N&D Group has resulted in tremendous growth and success borne out by both financial results and the focus on our mission and values.

Tim also served the industry as Chairman and Board Director of the National Association of Mutual Insurance Companies (NAMIC), the Mutual Fire Insurance Association (MFIA), the MA Fair Plan (MPIUA), and as Board Director for the Automobile Insurers Bureau (AIB). In 2018 he was recognized as the Boston Insurance Library's "Insurance Professional of the Year" for demonstrating leadership and exemplifying qualities that engender understanding of and respect for the risk management and insurance industry.

We wish Tim and his wife, Mary, the best of luck. As the Irish say:

*To all the days here and after
May they be filled with fond memories,
happiness, and laughter.*

Our Leadership

President & CEO, Board Chair

Joel P. Murray, CPCU

Independent Directors

Charles M. Chamness

Barbara Finigan Fitzgerald

Glenn E. Niinimaki, CPCU
Choice Insurance Group

John J. "Jack" O'Neil, III
National Development

Gregory L. Petrini
President & CEO
Petrini Corporation

Lori J. Shaver, CPA
Management Consultant

Michael J. Shea, CPA

John J. Zona
Chief Investment Officer
Boston College

Senior Managers

Alex P. Butensky, FCAS, MAAA, CPCU, ARe,
AIAF, ARC

*Senior Vice President, Treasurer,
Chief Financial Officer & Chief Actuary*

David N. Cote, Esq., AIC
*Chief Claim Officer, Deputy Counsel &
Corporate Secretary*

Erin M. Cummings, CPCU, AIT, ARM, AIS,
API, AINS, AIM, AIC
*Senior Vice President, Chief Operations
Officer & Chief Information Officer*

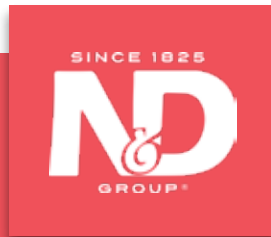
C. Colby Hewitt, IV, CPCU, AIAF, ARe
Chief Marketing Officer

Victor M. Pepin, CPCU, CIC
Chief Strategy Officer

Michele C. Sears
General Counsel

Michael J. Tufts
*Chief Human Resources Officer &
Chief Administrative Officer*

E. Matthew Young, CPCU, CRM, CIC, AFIS
Chief Underwriting Officer



222 Ames Street, Dedham, MA 02026

NDGroup.com

800 688-1825