

SINCE 1825



Locally Grown Insurance®

ANNUAL REPORT
2023

President's Message

Thank you for taking a moment to review The N&D® Group's Annual Report. In 2023, we celebrated our 198th anniversary, while experiencing the most disrupted insurance marketplace in many, many years. After years of increasing global catastrophe losses coupled with rapidly rising interest rates, the amount of capital available to support reinsurance had yet to recover to levels available as recently as yearend 2021. This lack of reinsurance supply along with increasing demand due to higher construction costs dramatically increased the price of reinsurance and, in turn, affected premiums for our policyholders. Similar challenges were present in the auto insurance marketplace, with advanced vehicle technologies and increased distracted driving leading to elevated severity of claims and thus higher premiums.

Many national and super-regional carriers looked to reduce or even stop writing new business while rates caught up to current loss costs.

Although the N&D did slow down new writings along the Massachusetts coast, we maintained an open market in the remainder of the Commonwealth, as well as in New Jersey. Ultimately, we achieved historic growth in both policy count and premium of 15% and 24% respectively. Our direct written premium reached an all-time high of \$368MM. Although profitability fell somewhat short of our targets, we were able to run below a 100% combined ratio for the seventh time in eight years. Our 98.4% combined ratio benefited from benign weather, except for a 30-hour freeze event in February and a day of strong winds in December. Despite many challenges we were able to achieve 5.8% growth in policyholder surplus, which now stands at \$459MM, a record high. Although pleased with a record surplus high, we must continue to balance our growth in exposure with our growth in surplus to ensure current levels of financial stability. Our financial stability is critical to the well-being of our policyholders and

serves as a foundational element of our mission which is “to provide financial security to our policyholders through an exceptional client experience, affording them peace of mind.”

In terms of the make-up of our business in 2023, our three largest lines of business were ComPak (BOP), followed closely by Homeowners, and then Personal Auto. They comprised 31%, 31%, and 25% of our premium. In terms of states, Massachusetts represented 86% of our overall premium, and New Jersey 14%. New Jersey produced strong results for the third year in a row, helping offset our Massachusetts performance which was hampered by an increase of large property and liability claims, as well as the aforementioned auto and weather losses.

Although we strive to provide financial security to our policyholders, we are most proud of our contributions to the community. The N&D Foundation, founded in 2017, contributed to numerous

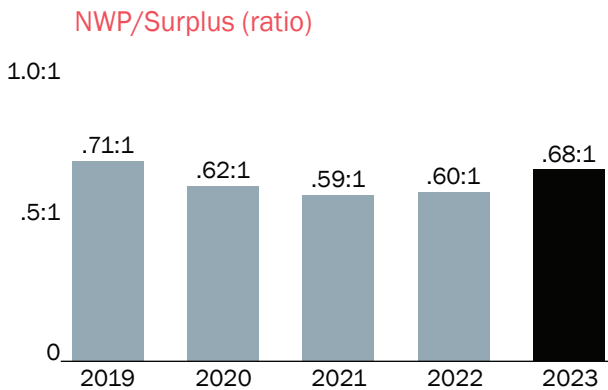
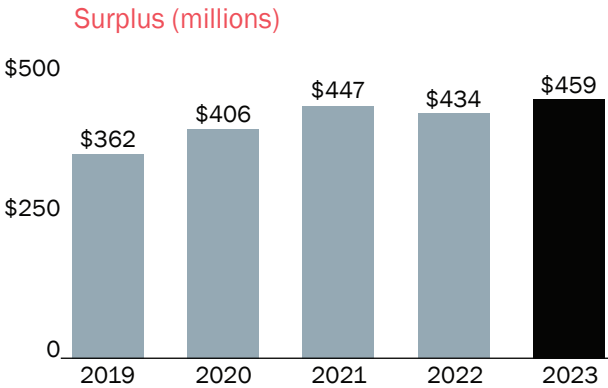
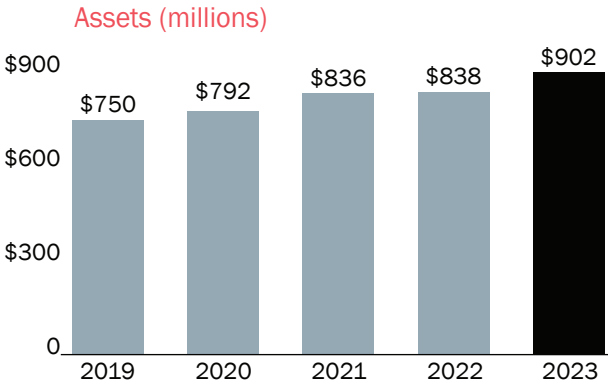
deserving charities in the region. Our employees also volunteered with the Greater Boston YMCA summer camp and at Community Servings in Jamaica Plain.

In closing, I express my ongoing gratitude to the incredible N&D team, which includes our employees and our board of directors, as well as our agency and business partners, who all strive to provide compelling products and service at a fair price. A special recognition to a few recently retired long-serving N&D team members including Nancy Bates (50+ years), Gail Boncek (45+ years), Dave Cote (20+ years), and retiring board member, Mike Shea who served on our boards for 30 years. We thank you for your ongoing support and are committed to being a foundational partner for all of our stakeholders. Best wishes to all for a safe, happy, and healthy year ahead.



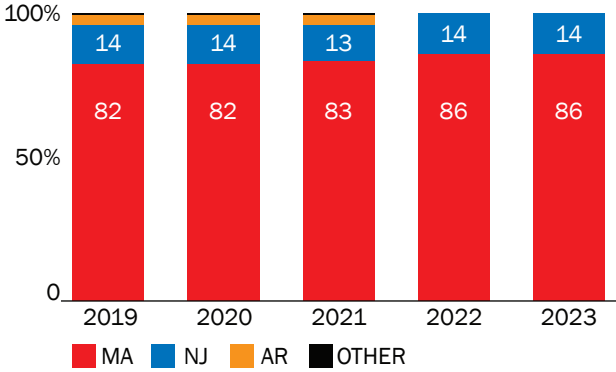
Joel P. Murray, CPCU
Board Chair, President & CEO

Financial Performance

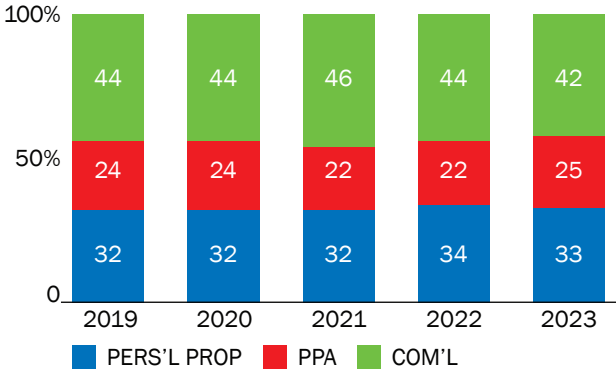


Business Profile

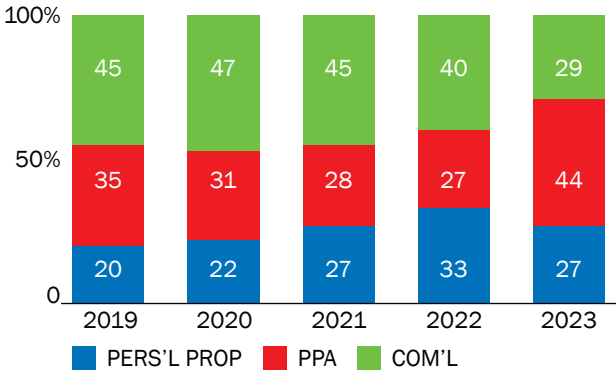
Premium Mix of Business by State



Inforce Premium Mix of Business by Line



New Premium





Mission

The N&D Group includes the Norfolk & Dedham Mutual Fire Insurance Company, the Dorchester Mutual Insurance Company, and the Fitchburg Mutual Insurance Company. Founded in Dedham in 1825, the N&D Group is rated A (Excellent) by AM Best.

Our mission is to provide financial security to our policyholders through an exceptional client experience affording them peace of mind. We provide personal and commercial policyholders with Homeowners, Personal Auto, Dwelling Fire, Personal Umbrella, Businessowners, ComPak®, Workers' Compensation, Commercial Auto, and Commercial Umbrella coverage.

The N&D Group's Commitment to Excellence philosophy provides a roadmap in our goal of service to and interaction with agents, policyholders and employees. We strive to meet the varied needs of all these stakeholders while supporting our mission and maintaining core values, which include Integrity, Accountability, Collaboration, and Responsiveness.



Service & Technology

The N&D is continuously updating existing services and developing new tools to provide a consistent level of high-quality service. Agent-facing platforms like NextPakSM and AgentPak[®] allow for quick and effective communication. NDGroup.com and the My Insurance app offer policyholders the ability to connect with us 24/7 to access policy information, make a claim, pay a bill, or find an agent. Our fleet of Automated Claims Vans are ready at a moment's notice to visit a property in the event of a claim or support policyholders in catastrophe-impacted communities.

Employee Years of Service

The N&D[®] Group has many long-term employees who support our mission by providing excellent service to our policyholders and agents.

We honor this dedicated group of individuals who have achieved the following service milestones.

Diana E. Lattin	44
Mary A. Dio	42
Jean M. Brow	39
Deborah J. Gilmore	36
Helen M. Pettersen	36
Kelly A. Goggin	35
Teri J. Knell-Levesque	35
Dawn L. Parmeggiani	35
Kristen E. Flynn	33
Paul W. Powers	32
Joseph B. Haswell	31
Jean E. Houghton	31
Patricia M. O'Brion	30

Our Leadership

Board Chair, President & CEO

Joel P. Murray, CPCU

Independent Directors

Charles M. Chamness

Maryellen Coggins

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

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*

Erin M. Cummings, CPCU, AIT, ARM, AIS, API,
AINS, AIM, AIC

*Senior Vice President, Chief Operations
Officer & Chief Information Officer*

Michael T. Cummings
Senior Vice President, Claims

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

Victor M. Pepin, CPCU, CIC
Chief Strategy Officer

Michele C. Sears
General Counsel & Corporate Secretary

Michael J. Tufts
*Senior Vice President, 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