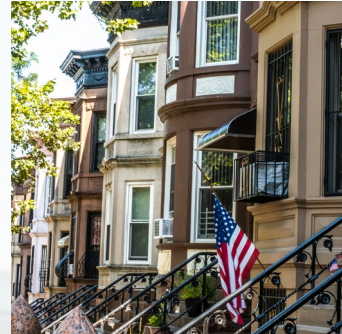


ANNUAL REPORT

2025



CORE VALUES



**BE A
CHAMPION**



**BE AN
EXPERT**



**VALUE
EVERYONE**



**RISE TO THE
OCCASION**

OUR MISSION

To deliver unparalleled insurance service and coverage value while fostering trust and security for our policyholders and independent agent partners through a relentless commitment to integrity, community, and excellence.

OUR VISION

To be the most trusted and respected mutual insurance carrier by setting the standard for service excellence and superior coverage.



PRESIDENT'S LETTER

The U.S. property and casualty insurance industry recorded its strongest performance in a decade in 2025. Results reflected improved underwriting performance, sustained pricing adequacy, and elevated investment yields despite continued pressure from loss costs and liability exposure. The Andover Companies delivered strong performance across both our direct insurance and assumed reinsurance operations, supported by disciplined underwriting, improved loss ratios, a favorable catastrophe environment, and ongoing expense management.

This performance translated into strong financial results in 2025 and continued momentum across our core operations. Net written premium increased 12.7% to \$1.119 billion, reflecting continued pricing momentum and sustained demand across our markets. Underwriting performance strengthened, with net underwriting profit rising 43.7% to \$72.3 million, which includes \$38 million in profit from our assumed reinsurance portfolio. We achieved a net combined ratio of 91.1% while policyholder retention remained strong at 90.8%, underscoring the value of our products and services.

Additionally, favorable investment results contributed to overall performance. Net investment income increased 6.4% to \$120.9 million. Collectively with underwriting results, we achieved a net operating ratio of 79.3%, reflecting the strength of our overall performance.

These results supported net operating profit of \$171.9 million, policyholder surplus of \$3.079 billion, and total assets of \$4.887 billion at year-end.

In support of our long-term growth strategy, we made a strategic investment in Mereo Insurance, a Bermuda-based (re)insurance platform. This investment represents a diversification opportunity, providing exposure to new classes of business and geographic markets through an experienced leadership team and innovative capital approach, while strengthening the overall resilience and balance of our portfolio.

The property and casualty insurance industry continues to navigate a period of meaningful change shaped by rising loss costs, emerging risks, evolving policyholder expectations, and increased competition. In this environment, we remain focused on the agent and policyholder experience, advancing our underwriting, claims, and digital capabilities, while staying grounded in the relationship-driven approach that has defined The Andover Companies for generations.

We thank our policyholders, independent agents, reinsurance partners, Board of Directors, and employees for their continued support and partnership. Looking ahead, we are positioned to carry forward our legacy and serve our communities with purpose. Our reorganization into a mutual holding company strengthens our competitive position, expands operational flexibility, and creates new strategic opportunities while preserving our mutual foundation. As we approach our 200th year in operation, we look forward to further solidifying our role as a trusted insurer and valued partner.



Charles J. DiGrande

Charles J. DiGrande, CPCU, ARE, AIM
President & Chief Executive Officer

ANNUAL STATEMENT

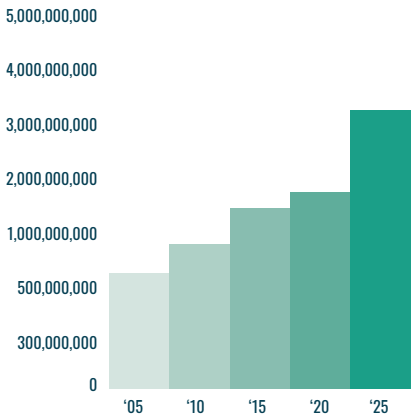
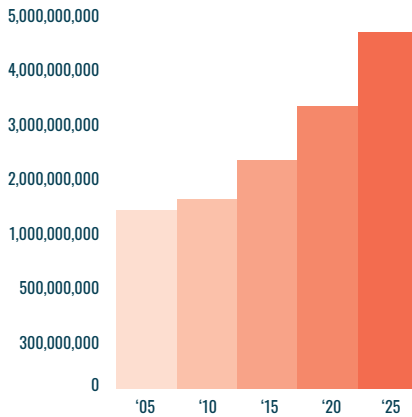
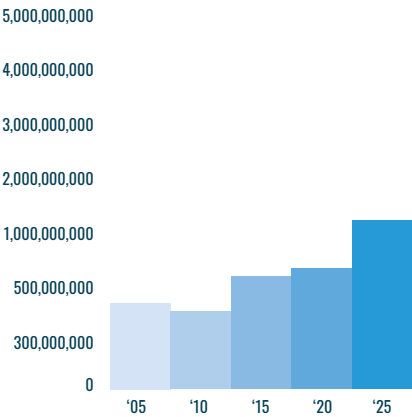
As filed with the Massachusetts Division of Insurance.

As of December 31, 2025.

| ASSETS | | |
|---|-----------|----------------------|
| Cash | \$ | 336,400,154 |
| Bonds | | 773,631,691 |
| Common Stocks | | 3,244,433,638 |
| Real Estate | | 36,610,599 |
| Other Invested Assets | | 188,067,650 |
| Interest Accrued | | 11,366,050 |
| Other Assets | | 296,446,386 |
| Total Assets | \$ | 4,886,956,168 |
| LIABILITIES | | |
| Loss and Loss Adjustment Expense Reserves | \$ | 622,891,084 |
| Unearned Premiums | | 571,023,023 |
| Other Liabilities | | 614,472,840 |
| Total Liabilities | \$ | 1,808,386,947 |
| SURPLUS | | |
| Surplus | \$ | 3,078,569,221 |
| Total Liabilities and Surplus | \$ | 4,886,956,168 |

THE ANDOVER COMPANIES COMBINED RECORD OF GROWTH

| | PREMIUMS WRITTEN | ASSETS | SURPLUS |
|------|------------------|-----------------|-----------------|
| 2025 | \$1,119,349,380 | \$4,886,956,168 | \$3,078,569,221 |
| 2020 | 687,295,417 | 3,226,729,045 | 1,836,935,489 |
| 2015 | 518,628,557 | 2,242,464,725 | 1,323,818,452 |
| 2010 | 430,409,481 | 1,662,432,564 | 968,323,682 |
| 2005 | 458,769,148 | 1,277,443,735 | 629,471,806 |



\$1B+

PREMIUMS SURPASSED \$1 BILLION, MARKING A MAJOR MILESTONE IN ANDOVER'S 198-YEAR HISTORY.

\$4.8B+

ASSETS CLIMBED TO MORE THAN \$4.8 BILLION, REFLECTING ANDOVER'S FINANCIAL STRENGTH AND LONG-TERM STABILITY.

\$3B+

SURPLUS GREW TO OVER \$3 BILLION, ESTABLISHING A NEW COMPANY RECORD FOR ANDOVER.

0.36 ANDOVER ATTAINED A PREMIUM-TO-SURPLUS RATIO OF 0.36, EXCEEDING THE INDUSTRY AVERAGE OF 0.87. US P&C Mutual: 0.87
Source: NAMIC (2024)

PERSONAL LINES UNDERWRITING

ADVANCING UNDERWRITING EXCELLENCE

The Personal Lines Underwriting team plays a critical role in delivering trusted protection to policyholders and supporting our agency partners. Consisting of 23 Underwriters and two Functional Analysts, the team writes Homeowners, Dwelling Fire, and Personal Umbrella policies for agents across our eight-state footprint.

In 2025, the team reviewed and approved nearly 50,000 applications and remained a key resource for agents, providing guidance and expertise through direct communication across multiple channels. Notable initiatives included targeted rate adjustments, the rollout of a new underwriting dashboard to support the underwriting process and improve decision-making, and enhancements to the Insured Portal that allow policyholders to submit Personal Umbrella renewal questionnaires electronically. The team also completed multiple operational efficiency projects to eliminate non-value-added tasks and advance the transition to a fully paperless underwriting process.

Looking ahead, the team plans to refine its rating methodology by using a more granular, by peril approach to ensure the most accurate premium for all policyholders. In addition, the team is conducting multiple Insurtech pilot programs to help combat interior water losses, reduce property damage, and evaluate which sensor and monitoring technologies provide the greatest benefits to policyholders. These efforts will further strengthen underwriting precision while supporting the company's commitment to agents and policyholders.

CLAIMS

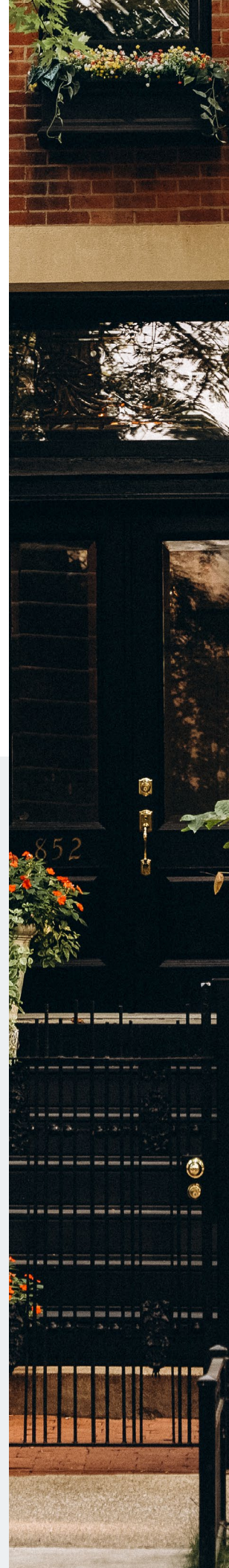
ANDOVER'S OPPORTUNITY

Each year, the Claims Department manages thousands of claims, and each one, no matter how large or small, is an opportunity to demonstrate Andover's long-standing commitment to our policyholders and independent agent partners. Today's claims ecosystem is complex, requiring proactive, tech-supported, and data-driven subject matter expertise to ensure we remain responsive in meeting those commitments.

Throughout the life cycle of a claim, our team provides guidance and support at every step, demonstrating excellence in claims service and driving ongoing enhancements in operational efficiency and overall claims performance.

Over the past several years, the department has developed and refined its Claims Excellence program, a holistic approach to continuous improvement. In 2025, the program continued to be operationalized across the department. We added dedicated resources to focus on data and information management, process improvement, innovation, and claims-specific development of our core systems. Our quality assurance efforts and continuous review identified new opportunities for expanded data capture and analysis, providing unprecedented transparency into the claims process.

These efforts and insights empower our experienced claims staff to make file-by-file decisions and inform strategy across the department and throughout the company, ensuring we continue to approach each claim as an opportunity to demonstrate Andover's commitment to delivering unparalleled service and coverage for our policyholders and independent agent partners.



COMMERCIAL LINES UNDERWRITING

DRIVING SUSTAINABLE GROWTH

In 2025, the Commercial Lines Underwriting team successfully executed several strategic initiatives centered on profitable growth, with strong emphasis on operational efficiency, pricing accuracy, and long-term portfolio health.

A key achievement was the launch of the Efficiency Enhancement Project, a comprehensive review of internal processes and workflows within Commercial Lines, as well as cross-functional dependencies across the organization.

The team also continued to prioritize insurance-to-value adequacy across both new business and renewal accounts. By leveraging our loss control inspection management platform, underwriting gained the ability to analyze valuation data at a more granular level. In addition, Commercial Lines introduced its first predictive analytics initiative, the BOP Reinspection Model. The model represents a significant advancement in portfolio management and helps maintain superior book health over time.

Collectively, these initiatives position the Commercial Lines team for greater operational efficiency, improved pricing accuracy, and enhanced portfolio oversight heading into 2026.

INNOVATION

TURNING INSIGHT INTO ACTION

The Andover Companies' Innovation team earned two industry awards in 2025—the National Association of Mutual Insurance Companies' (NAMIC) Award in Innovation and Celent's Model Insurer Award for Innovation Execution—underscoring our distinctive approach to innovation.

Both honors recognize Andover's "human-powered, AI-assisted" innovation process, which pairs the expertise and judgment of our people with custom-built generative AI tools. These tools support creativity, strengthen research, and improve execution, helping teams across the organization move more efficiently from insight to action.

This innovation process has been applied to internal and agent- and policyholder-facing experiences, supporting more informed decisions and more consistent execution. It has also influenced how the Innovation team collaborates, enabling deeper research, clearer alignment, and disciplined follow-through.

Overall, this work has strengthened how Andover learns, designs solutions, and implements improvements for policyholders and our independent agent partners. As a mutual insurer, Andover remains focused on thoughtful, responsible innovation that supports long-term stability, service, and value for the customers and communities we serve.



POWERED BY OUR PEOPLE

At The Andover Companies, our people are the foundation of our success and the driving force behind our continued growth. In 2025, we celebrated team longevity while strengthening our collaborative culture by attracting top-tier talent and building on our industry expertise. Through continuing education, industry certifications, and professional development, we remain committed to investing in our people. This commitment has guided The Andover Companies for nearly two centuries and helps advance our Mission—to deliver unparalleled insurance service and coverage value, while fostering trust and security for our policyholders and independent agent partners through a relentless commitment to integrity, community, and excellence.

GROWTH HIGHLIGHTS

36

new hires

59

promotions

YEARS OF SERVICE

27

employees with
20-29 years

20

employees with
30-39 years

7

employees with
40+ years

DRIVING DIGITAL EXCELLENCE

In 2025, The Andover Companies established the Digital Experience & Solutions (DXS) team to strengthen how we serve policyholders, agents, and employees. The team focuses on enhancing digital capabilities, modernizing platforms, and integrating processes to drive value across the business.

By leveraging cross-functional expertise, DXS drives initiatives that enhance operational efficiency, streamline interactions, and elevate key experience areas across agency and policyholder journeys, as well as core business functions.





COMMITTED TO SERVICE

As we continue to advance our goal of becoming the easiest company to do business with, Andover formalized its Welcome Center as a stand-alone function in 2025. The Welcome Center serves as a foundational pillar—the first point of contact for policyholders and agent partners—focused on resolving inquiries quickly, consistently, and with care. Looking ahead, the team is well-positioned to expand support across additional service areas, increase digital engagement, and improve efficiency, further strengthening our commitment to the customer and agent experience as we build on nearly 200 years of service.

PROUD TO SUPPORT



OFFICERS & BOARD OF DIRECTORS

2025 OFFICERS

Charles DiGrande, CPCU, ARe, AIM
President and Chief Executive Officer

Paul Nadeau, CPCU, ARe
Executive Vice President—Underwriting and Business Intelligence

Stephen Randall
Senior Vice President—Claims and Innovation

Amy DiPerna, CPA
Vice President and Treasurer—Accounting

Justin Libbey, CPCU, ARe
Vice President—Field/Marketing

Kevin A. McNamara
Vice President—Information Technology

Kevin Ouellette
Vice President, Secretary, and General Counsel—HR and Administration

Ian Edwards, CPCU, ARe
Regional Vice President—Field/Marketing

Stephen Zazzaro, CPCU
Regional Vice President—Field/Marketing

Joseph Cataldo, Jr., CPCU
Assistant Vice President—Claims

John Cole, CPCU, ARe
Assistant Vice President—Underwriting

Dale Earnest
Assistant Vice President—Information Services

Quinn Landers, JD, MBA
Assistant Vice President—Claims

Timothy Sherrill, CPCU, ARe, AIM
Assistant Vice President—Underwriting

Shawn Tisbert, CPCU, AIS, AU, AIAF, ARC, AINS, API, AIC, ARe
Assistant Vice President and Assistant Treasurer—Accounting

Andrew Hayes, CPCU, AIC*
Secretary—Claims

David Wilson, CPCU, AIC
Secretary—Claims

Jennifer Cannata, CPCU, ARe, AIC
Assistant Secretary—Claims

Craig Doyle, CPCU
Assistant Secretary—Underwriting Product Development

John Louison
Assistant Secretary—Claims

Catherine MacGilvray, SHRM-SCP, PHR, CEBS, JD
Assistant Secretary, Director, and Associate Corporate Attorney—HR and Administration

2025 BOARD OF DIRECTORS

John Appleton
Retired Senior Vice President
Fidelity Investments
Merrimack, Cambridge, Bay State

Malcolm Brawn
Retired Chairman and Chief Executive Officer
The Andover Companies
Merrimack, Cambridge, Bay State

David Dietz
Retired Partner
Goodwin Procter LLP
Merrimack, Cambridge, Bay State

Charles DiGrande, CPCU, ARe, AIM
President and Chief Executive Officer
The Andover Companies
Merrimack, Cambridge, Bay State

Amy DiPerna, CPA
Vice President and Treasurer
The Andover Companies
Bay State

Thomas Hollister
Retired Chief Financial Officer
Harvard University
Merrimack, Cambridge, Bay State

Paul Jacques
Vice President, Pharmacy Administration
CVS/Omnicare
Merrimack, Cambridge, Bay State

Amy Latimer
Chief Business Officer
Oak View Group
Merrimack, Cambridge, Bay State

Justin Libbey, CPCU, ARe
Vice President
The Andover Companies
Bay State

Kevin McNamara
Vice President
The Andover Companies
Bay State

Paul Nadeau, CPCU, ARe
Executive Vice President
The Andover Companies
Merrimack, Cambridge, Bay State

Kevin Ouellette
Vice President, Secretary, and General Counsel
The Andover Companies
Bay State

Karyn Polito
Principal
Polito Development Corporation
Merrimack, Cambridge, Bay State

Stephen Randall
Senior Vice President
The Andover Companies
Bay State

David Splaine
President
Spinnaker Associates
Merrimack, Cambridge, Bay State

The Andover Companies consists of Merrimack Mutual Fire Insurance Company, Cambridge Mutual Fire Insurance Company, and Bay State Insurance Company.



FIELD REPRESENTATIVES

NEW ENGLAND TERRITORY

Maine, Massachusetts, New Hampshire, and Rhode Island

Ian Edwards, CPCU, ARe
Regional Vice President

Joseph Corcoran III, CPCU, AU
District Manager
Southeastern Massachusetts
and Rhode Island

Peter Dube
District Manager
Maine

Emma G. Lewis, CPCU, ARe
District Manager
North Shore Massachusetts

Daniel Valeri, CPCU, CIC
District Manager
New Hampshire

Daniel Barone, CPCU, ARe
Executive Special Agent
Eastern Massachusetts

Karli Loiselle
Executive Special Agent
Central and Western Massachusetts

CENTRAL TERRITORY

Connecticut, Illinois, New Jersey, and New York

Stephen Zazzaro, CPCU
Regional Vice President

Fred Brambila, CIC
District Manager
Illinois

Scott Brekne, CPCU, CIC
District Manager
Metro New York and Long Island

Ryan Cass, CPCU
District Manager
Northern New Jersey

Patrick Doherty
District Manager
Southern New Jersey

Robert Knightly, CPCU, CIC
District Manager
Upstate New York and Westchester County

Christopher Perrini, CPCU, AU
District Manager
Connecticut

BUSINESS DEVELOPMENT

Daniel Findley, CPCU, ARe, MS
Director of Business Development and National Partnerships

FIELD SERVICES

Patricia O'Connell
Director of Field Services
ADM Product Owner

*Retired in 2025



FOLLOW US



The Andover Companies
95 Old River Rd.
Andover, MA 01810
andovercompanies.com