



# BEST'S COMPANY REPORT

## THE **ANDOVER** COMPANIES®

• EST 1828 •

### ANDOVER COMPANIES POOL

AMB #: 000166

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

### BAY STATE INSURANCE COMPANY

**A**

Domiciliary Address: 95 Old River Road, Andover, Massachusetts 01810 United States

AMB #: 002053

NAIC #: 19763

FEIN #: 04-2200004

Phone: +1-978-475-3300

Fax: +1-800-323-5112

Website: [www.andovercompanies.com](http://www.andovercompanies.com)

### CAMBRIDGE MUTUAL FIRE INSURANCE COMPANY

**A**

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AMB #: 002054

NAIC #: 19771

FEIN #: 04-1144900

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### MERRIMACK MUTUAL FIRE INSURANCE COMPANY

**A**

Domiciliary Address: 95 Old River Road, Andover, Massachusetts 01810 United States

AMB #: 002055

NAIC #: 19798

FEIN #: 04-1614490

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**Best's Credit Rating Effective Date**

July 19, 2023

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**Information**

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

**Financial Data Presented**

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

**Andover Companies Pool**

**AMB #:** 000166

**Ultimate Parent:** AMB # 000166 - Andover Companies Pool

**Best's Credit Ratings - for the Rating Unit Members**

**Financial Strength Rating (FSR)**

<p><b>A</b></p> <p><b>Excellent</b></p> <p>Outlook: <b>Stable</b> Action: <b>Affirmed</b></p>
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**Issuer Credit Rating (ICR)**

<p><b>a+</b></p> <p><b>Excellent</b></p> <p>Outlook: <b>Stable</b> Action: <b>Affirmed</b></p>
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**Assessment Descriptors**

Balance Sheet Strength	<b>Very Strong</b>
Operating Performance	<b>Adequate</b>
Business Profile	<b>Favorable</b>
Enterprise Risk Management	<b>Appropriate</b>

**Rating Unit - Members**

**Rating Unit:** Andover Companies Pool | **AMB #:** 000166

**AMB #**   **Rating Unit Members**  
002053   Bay State Insurance Company  
002054   Cambridge Mutual Fire Ins Co

**AMB #**   **Rating Unit Members**  
002055   Merrimack Mutual Fire Ins Co

## Rating Rationale

### Balance Sheet Strength: **Very Strong**

- Very strong risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) at the 99.6% confidence level.
- Low underwriting leverage relative to the personal property composite, indicative of less sensitivity to price and reserve inadequacies.
- Quick, current and overall liquidity measures are strong and compare favorably to the composite. Liquidity has benefited from positive operating cash flows in each of the last five years.
- Very high common stock leverage exposes capital to equity market shifts as evidenced in periods of market volatility. This is partially mitigated through investments in large-cap dividend-paying stocks and the maintenance of strict investment guidelines.
- Loss reserve development has been favorable in most calendar and accident years. Modestly adverse development reported in the most recent calendar year and the two most recent accident years.

### Operating Performance: **Adequate**

- Historically favorable five-year and ten-year average loss and LAE ratios compared to the personal property composite, marked by a few years with elevated results due to severe weather-related events.
- Elevated five-year and ten-year average underwriting expense ratio, driven by higher commission costs, which are typical for New England writers. Collectively, with the loss and LAE ratio, the five-year average combined ratio is slightly above the composite.
- Consistent stream of net investment income that has offset underwriting losses that occurred in four of the last five years. Net investment income has become increasingly driven by dividend income from the common stock portfolio.
- Five-year and ten-year average pre-tax returns on revenue and total returns on equity are higher than the composite. Total returns on equity are reflective of material unrealized capital gains from the equity portfolio in select years.

### Business Profile: **Favorable**

- Andover is one of the largest regional mutuals in the Northeast personal lines market with a modest share of the homeowners market in Massachusetts.
- Writes homeowners, small business owners, fire and allied line products distributed through a wide network of independent agents specifically geared towards more desirable risks based on insurance score.
- Historically profitable geographic diversification by assuming both domestic and international property catastrophe reinsurance business from carefully selected strategic partners on a quota share basis.
- Direct exposure to severe weather-related events in the Northeast is partially mitigated by a comprehensive reinsurance program.

### Enterprise Risk Management: **Appropriate**

- Andover's enterprise risk management (ERM) capabilities are considered appropriate for its risk profile.
- A formal program has been developed and documented, with participation and input from the board, executive leadership and the ERM team. The ERM team is responsible for oversight and implementation.
- Formal risk tolerance and appetite statements have been developed, which include both qualitative and quantitative parameters for all major risks.
- The pool is exposed to tail risk as evidenced by the BCAR at the 99.8% confidence level, reflective of management's view of events with low probability. Models are regularly reviewed for accuracy, relevance and to monitor tail risk.

### Outlook

- The stable outlooks reflect the expectation that Andover will maintain its overall balance sheet strength assessment, supported by risk-adjusted capitalization at the very strong level, while strategic initiatives implemented by management will support more stable operating performance over the intermediate term, inclusive of results from its assumed book of business.

### Rating Drivers

- Negative rating action could occur following deterioration in risk-adjusted capitalization to a level that no longer supports the balance sheet strength assessment.

- Negative rating action could occur if risk-adjusted capitalization remains sensitive to fluctuations in the equity market to a level that pressures overall balance sheet strength.

## Key Financial Indicators

### Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	74.5	58.5	40.8	16.9

Source: Best's Capital Adequacy Ratio Model - P/C, US

Key Financial Indicators USD (000)	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	164,241	144,913	736,094	663,389	617,638	585,549	555,707
Assumed*	181,712	186,409	128,735	143,694	146,792	141,380	147,669
Ceded*	171,786	160,596	73,259	56,202	77,135	70,461	63,842
Net	174,166	170,726	791,570	750,882	687,295	656,469	639,534
Net Operating Income	-44,129	-647	22,209	4,547	75,411	29,007	35,275
Net Income	-44,152	-667	12,551	-4,030	46,179	75,407	-3,004
Total Admitted Assets	3,886,815	3,962,952	3,956,533	3,973,186	3,325,296	3,228,796	2,884,435
Policyholders' Surplus	2,111,190	2,231,391	2,194,030	2,275,172	1,836,936	1,800,563	1,522,741

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

Key Financial Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Combined Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.9	2.2	2.6	2.3	2.4	2.7	2.9	2.6
Pre-Tax Operating Return on Net Earned Premiums	-31.7	-0.6	3.5	1.0	14.0	6.6	5.3	6.0
Net Income Return on Policyholders' Surplus	-8.2	-0.1	0.6	-0.2	2.5	4.5	-0.2	1.4
Total Return on Policyholders' Surplus	-15.0	-7.0	-5.5	18.8	4.1	16.4	-7.2	5.3
Leverage:								
Net	1.2	1.1	1.2	1.1	1.2	1.2	1.3	...
Gross	...	...	1.2	1.1	1.2	1.2	1.4	...
Non-affiliated Investment	110.1	108.8	108.0	108.1	101.5	99.1	113.5	...

Source: BestLink® - Best's Financial Suite

## Credit Analysis

### Balance Sheet Strength

Andover's risk-adjusted capitalization is very strong as measured by BCAR at the 99.6 VaR confidence level. Balance sheet strength is reinforced by underwriting leverage that compares favorably to the low composite metrics, strong liquidity supported by solid operating cash flows, modest reinsurance dependence and favorable overall loss reserve development in most calendar and accident years. Low net and gross underwriting leverage measures indicate Andover's policyholder surplus position is less susceptible to deterioration due to pricing errors and loss reserve inadequacies. Furthermore, Andover purchases catastrophe and other forms of reinsurance to help protect its balance sheet. These factors are partially offset by very high common stock leverage, which illustrates an acute sensitivity to equity market fluctuations.

### Capitalization

Andover's risk-adjusted capitalization is driven by surplus growth in three of the past five years, a low net premiums written to surplus position, and favorable loss reserve development in most calendar and accident years. In 2018, Andover reported surplus deterioration that was driven by severe weather, which led to material underwriting losses, as well as a downturn in the equity market in the fourth

**Balance Sheet Strength (Continued...)**

quarter. Weather events consisted of both winter weather and storms impacting direct operations, as well as catastrophe losses through its assumed property catastrophe reinsurance program. In 2022, Andover reported a more modest surplus decline, driven by unrealized capital losses from unfavorable equity market conditions, as well as unfavorable underwriting results due to rising loss costs from persistent inflation. Though the surplus position will continue to be susceptible to weather-related events and stock market sensitivity, Andover's robust investment income and ability to produce substantial underwriting gains in benign weather years partially mitigates the potential impact.

<b>Capital Generation Analysis USD (000)</b>	<b>3-Months</b>		<b>Year End - December 31</b>				
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Beginning Policyholders' Surplus	2,194,030	2,275,172	2,275,172	1,836,936	1,800,563	1,522,741	1,683,409
Net Operating Income	-44,129	-647	22,209	4,547	75,411	29,007	35,275
Net Realized Capital Gains (Losses)	-22	-20	-9,659	-8,577	-29,232	46,400	-38,279
Net Unrealized Capital Gains (Losses)	-36,487	-38,730	-134,823	390,764	28,029	196,577	-112,289
Other Changes in Capital and Surplus	-2,202	-4,385	41,131	51,502	-37,835	5,838	-45,375
Net Change in Policyholders' Surplus	-82,840	-43,781	-81,141	438,236	36,373	277,821	-160,668
<b>Ending Policyholders' Surplus</b>	<b>2,111,190</b>	<b>2,231,391</b>	<b>2,194,030</b>	<b>2,275,172</b>	<b>1,836,936</b>	<b>1,800,563</b>	<b>1,522,741</b>
Net Change in Policyholders' Surplus (%)	-3.8	-1.9	-3.6	23.9	2.0	18.2	-9.5
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	5.4	...	...	...	...

Source: BestLink® - Best's Financial Suite

<b>Liquidity Analysis</b>	<b>3-Months</b>		<b>Year End - December 31</b>				
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net Operating Cash Flow USD (000)	-29,919	-2,735	122,034	125,821	87,119	55,365	39,803
Current Liquidity (%)	170.9	184.1	176.2	188.1	176.6	179.8	161.9

Source: BestLink® - Best's Financial Suite

**Asset Liability Management - Investments**

Andover's investment portfolio allocations reflect management's response to the suppressed interest rate environment for most of the recent five-year period. In prior years, after an influx of calls on fixed-income securities, management decided to reinvest proceeds into common stock, believing equities would generate better returns. As of year-end 2022, the investment portfolio was comprised of common stock (69%) with smaller positions in long-term bonds (16%) and cash (9%). Though the strategy has resulted in investment yield and total return on invested assets that are higher than the composite averages, it does not come without risk, which is reflected in Andover's very high common stock leverage. At 104% as of year-end 2022, policyholder surplus is highly sensitive to shifts in the equity market and has a greater potential to be negatively impacted should markets deteriorate, as illustrated in 2018, early 2020 and recently in 2022. Andover somewhat mitigates the associated risk through focusing investments on large-cap, dividend paying stocks, considering Value Line safety and rating standards, and using an external advisor to improve knowledge and expertise as well as the long-term investment horizon.

Liquidity metrics (quick, current and overall) are positively influenced by Andover's common stock position and compare favorably to the composite averages. Liquidity is also supported by solid net operating cash flows, which are derived from investment and underwriting activities.

**Balance Sheet Strength (Continued...)**

Composition of Cash and Invested Assets	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Total Cash and Invested Assets USD (000)	3,236,942	3,355,644	3,310,539	3,365,827	2,756,231	2,693,672	2,324,925
<b>Composition Percentages (%)</b>							
Unaffiliated:							
Cash and Short Term Investments	8.2	8.8	8.9	13.9	9.5	8.4	12.5
Bonds	16.3	14.8	15.7	9.0	18.1	20.5	7.8
Stocks	69.1	71.2	68.9	71.8	67.6	66.1	74.3
Other Invested Assets	2.7	1.2	2.6	1.3	0.1	0.1	0.1
<b>Total Unaffiliated</b>	<b>96.2</b>	<b>96.0</b>	<b>96.2</b>	<b>96.0</b>	<b>95.2</b>	<b>95.1</b>	<b>94.6</b>
Investments in Affiliates	3.8	4.0	3.8	4.0	4.8	4.9	5.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	14.8	15.0	3.3	...	...	2.3
Government Agencies and Municipal Bonds	2.5	7.5	10.0	6.2	1.6	8.3
Industrial and Miscellaneous Bonds	7.3	25.0	6.0	0.7	0.2	3.5
<b>Total Bonds</b>	<b>24.5</b>	<b>47.6</b>	<b>19.3</b>	<b>6.9</b>	<b>1.7</b>	<b>4.5</b>

Source: BestLink® - Best's Financial Suite

**Reserve Adequacy**

As a property-predominant writer, Andover's loss reserve development patterns are relatively short and the pool has reported favorable overall loss reserve development in nine of the last ten calendar years and eight of the last ten accident years. However, modestly adverse development was reported in the most recent calendar year and two most recent accident years, driven by the assumed property reinsurance, general liability and commercial multi-peril lines of business. Through its participation in several reinsurance pools, the results for the assumed portion of the book were impacted by assumed deficiencies due to a lag in reporting, which was corrected in 2018, and due to assumed storms developing adversely.

Loss and Loss Adjustment Expense Reserves and Development - Calendar Year	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Loss and ALAE* Reserves USD (000)	639,908	550,257	565,526	522,477	432,852	374,223	376,205
Loss and ALAE* Reserves Development USD (000)	10,344	-8,244	...	8,800	-1,698	-60,749	-33,451
Development to:							
Original Reserves (%)	...	...	...	1.7	-0.4	-14.0	-8.2
Prior Year End Reserves(%)	1.7	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	0.5	-0.4	...	0.4	-0.1	-3.4	-2.2

Source: BestLink® - Best's Financial Suite

Loss and Loss Adjustment Expense Reserves and Development - Accident Year	Year End - December 31				
	2022	2021	2020	2019	2018
Original Loss and ALAE Reserves USD (000)	253,328	251,431	182,116	210,683	225,700
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	253,328	256,383	214,208	181,074	207,472
Development to Original Reserves (%)	...	2.0	17.6	-14.1	-8.1
Accident Year Loss and LAE Ratio (%)	66.7	68.5	62.9	56.9	69.8
Accident Year Combined Ratio (%)	105.5	108.9	103.9	98.8	105.9

Source: BestLink® - Best's Financial Suite

**Operating Performance**

Underwriting results have been volatile over the most recent five-year period with four years reporting underwriting losses due to severe weather events and most recently due to rising loss costs from inflation. Despite this volatility, the five-year loss and LAE ratio is lower than the personal property composite, reflective of strict underwriting guidelines and a focus on rate adequacy. In contrast, the underwriting expense ratio average is elevated relative to the composite, driven by higher commission costs that are typical for New England writers. Overall, Andover reported a five-year average combined ratio that is modestly above breakeven and slightly higher than the composite. The geographic concentration in the Northeast exposes Andover to severe weather events, which will continue to influence underwriting performance as will its exposure to catastrophes outside of its operating territory through its assumed property reinsurance program. To partially mitigate direct exposure, Andover maintains a comprehensive catastrophe reinsurance program with a large panel of highly rated reinsurers.

Net investment income is influenced by Andover’s strategy to invest primarily in common stock and target higher returns through dividend-paying equities. Under this strategy, the pool has produced a reliable and robust stream of net investment income, which has offset years with net underwriting losses. Over the last five years, a material amount of unrealized capital gains has been recorded along with dividend income. Andover’s approach has produced a five-year average investment yield and total return on invested assets that compares favorably to the composite. However, the total return on invested assets has experienced volatility due to equity market shifts, which have yielded fluctuations in capital gains. The volatility reflects the risk associated with Andover’s high common stock leverage.

Net investment income, net underwriting income and other income have combined for positive pre-tax operating income in each of the past five years, albeit fluctuating in size due to underwriting volatility. Core operations are consistently profitable as illustrated by a five-year average operating ratio that is well below breakeven and lower than the composite. Both pre-tax returns on revenue and equity have been positive each year but influenced by underwriting losses in four of the past five years. These underwriting losses were driven by a deterioration in loss experience on the assumed catastrophe property program in 2018, 2019 and 2021, as well as rising loss costs on all lines of business in 2022 from inflation. However, the assumed catastrophe property program has generated solid overall profitability over the last ten years (\$118.6M), including 2020 (\$43.5M) and 2022 (\$15.7M).

Operating and Financial Performance Ratios (%) - Company	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Calendar Year Loss and LAE Ratio	102.3	70.0	67.3	67.0	53.9	62.2	67.9	63.7
Expense and Policyholder Dividend Ratio	45.3	42.3	38.9	40.4	41.0	41.8	36.0	39.6
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.9	2.2	2.6	2.3	2.4	2.7	2.9	2.6
Pre-Tax Operating Return on Net Earned Premiums	-31.7	-0.6	3.5	1.0	14.0	6.6	5.3	6.0
Net Income Return on Policyholders' Surplus	-8.2	-0.1	0.6	-0.2	2.5	4.5	-0.2	1.4
Total Return on Policyholders' Surplus	-15.0	-7.0	-5.5	18.8	4.1	16.4	-7.2	5.3

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%) - Composite	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Calendar Year Loss and LAE Ratio	...	63.3	79.1	74.7	80.5	66.9	70.4	74.6
Expense and Policyholder Dividend Ratio	...	26.6	26.4	28.3	29.3	29.7	30.5	28.7
Combined Ratio	...	89.9	105.5	103.0	109.8	96.5	100.9	103.3
Reserve Development Ratio Impact	...	-5.6	-0.1	0.4	-1.9	-1.2	-2.0	-0.9
Net Investment Yield	...	2.0	2.2	2.1	2.4	2.5	2.4	2.3
Pre-Tax Operating Return on Net Earned Premiums	...	13.5	-1.5	1.2	-4.1	10.0	5.7	2.0
Net Income Return on Policyholders' Surplus	...	7.6	-1.4	1.2	-1.3	5.6	3.5	1.4
Total Return on Policyholders' Surplus	...	5.0	-4.2	5.4	0.1	8.8	1.4	2.2

Source: BestLink® - Best's Financial Suite

Industry Composite: Personal Property Composite - BestLink® - Best's Financial Suite

**Business Profile**

Andover Companies Pool is comprised of Merrimack Mutual Fire Insurance Company, Cambridge Mutual Fire Insurance Company and Bay State Insurance Company, which operate under an intercompany pooling agreement. Collectively, the pool predominantly writes in

**Business Profile (Continued...)**

the Northeast region through a wide network of independent agents. The majority of direct premium written is from Massachusetts, where Andover maintains a strong presence as one of the leading homeowners writers.

Andover achieves modest geographic diversification through assumed domestic and international personal property business from carefully selected strategic partners. Historically, the assumed business has been profitable but exposes the pool to potential severe weather-events that can negatively impact results. The non-correlated nature of the direct and assumed business has proven to effectively offset volatility in past years.

Andover also writes business in New York, New Jersey, Connecticut, Rhode Island, Illinois, Maine and New Hampshire. The concentration risk in the Northeast is partially mitigated by a comprehensive catastrophe reinsurance program. Aside from homeowners, the next largest lines written are commercial multi-peril, fire, allied lines, other liability, inland marine and private passenger auto. Andover focuses on achieving rate adequacy to protect against underwriting volatility. The pool has built in several edits to its online rating system to control risk submission and write what it believes to be desirable business.

Premium Composition and Growth	3-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	164,241	144,913	736,094	663,389	617,638	585,549	555,707	...
% Change	13.3	8.1	11.0	7.4	5.5	5.4	3.8	6.6
Reinsurance Premiums Assumed USD (000)*	181,712	186,409	128,735	143,694	146,792	141,380	147,669	...
% Change	-2.5	-3.9	-10.4	-2.1	3.8	-4.3	70.2	8.2
Reinsurance Premiums Ceded USD (000)*	171,786	160,596	73,259	56,202	77,135	70,461	63,842	...
% Change	7.0	8.2	30.4	-27.1	9.5	10.4	7.5	4.3
Net Premiums Written USD (000)	174,166	170,726	791,570	750,882	687,295	656,469	639,534	...
% Change	2.0	-4.9	5.4	9.3	4.7	2.6	13.6	7.1

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	
Homeowners	418,184	56.8	2	...	47,880	65.4	370,306	46.8	88.6
Comm M.P.	151,521	20.6	...	...	11,511	15.7	140,010	17.7	92.4
Fire	61,776	8.4	1,267	1.0	4,956	6.8	58,087	7.3	92.1
Allied Lines	46,999	6.4	...	...	4,741	6.5	42,257	5.3	89.9
Other Liab Occurrence	43,924	6.0	...	...	1,850	2.5	42,074	5.3	95.8
Top 5	722,404	98.1	1,268	1.0	70,938	96.8	652,734	82.5	90.2
All Other	13,690	1.9	127,467	99.0	2,321	3.2	138,836	17.5	98.4
Total	736,094	100.0	128,735	100.0	73,259	100.0	791,570	100.0	91.5

Source: BestLink® - Best's Financial Suite

Geographic Breakdown by Direct Premiums Written USD (000)	Year End - December 31				
	2022	2021	2020	2019	2018
Massachusetts	281,578	254,847	241,702	228,732	217,637
New York	156,921	138,216	126,066	117,175	108,501
New Jersey	88,427	80,670	78,696	77,975	76,952
Connecticut	56,662	52,903	50,917	51,627	50,174
Rhode Island	48,074	41,998	38,638	34,999	31,077
Top 5 States	631,661	568,635	536,020	510,508	484,343
All Other	104,433	94,754	81,618	75,041	71,364
Total	736,094	663,389	617,638	585,549	555,707
<b>Geographic Concentration Index</b>	0.22	...	...	...	...

Source: BestLink® - Best's Financial Suite



## Enterprise Risk Management

Andover's enterprise risk management (ERM) is considered appropriate for its risk profile. A formal program has been developed that includes participation from an ERM team, the Executive Leadership team and the Board. The ERM team maintains the program, provides oversight of risk exposure and mitigation, monitors industry developments and performs periodic analysis of risk-adjusted capitalization for changes in strategy. The Executive Leadership team meets regularly to discuss all aspects of ongoing operations and consists of the Chairman and CEO, the Executive Vice President, Senior Vice President and four Vice Presidents, each representing a different functional area. Lastly, the Board monitors the identification and response to current and emerging risks, reviews risk tolerances and has an established sub-committee to focus on key areas of operations. The Vice President and Treasurer acts as the liaison between the ERM team, Executive Leadership team and Board. A formal document outlines the definition, prioritization, mitigation, risk appetite and tolerances for catastrophe, investment, operational, cyber security, underwriting, strategic and credit risks.

Andover regularly tests the impact of various scenarios on risk-adjusted capitalization. Management maintains a degree of skepticism regarding the accuracy of the catastrophe models, despite this, the pool purchases reinsurance that provides coverage in excess of the 1/100-year total all perils probable maximum loss. Management has prudently made efforts to improve its risk management abilities, specifically in regards to risk identification and quantification, its reinsurance program and formal documentation.

## Reinsurance Summary

Andover strategically uses reinsurance to insulate itself from severe events and large losses. The catastrophe reinsurance program provides ground up coverage of \$1.58 billion in five layers, which includes a \$225 million retention. Layers 1 to 3 have a 15% co-participation. All layers have one reinstatement. A 3-year Catastrophe Bond (Locke Tavern Re) is placed in the fourth layer of the program, providing \$175 million of coverage and 39% of the fourth layer. In addition, the pool purchases personal umbrella and dwelling fire liability excess of loss protection of \$3M excess \$2M. Furthermore, Andover maintains property excess of loss coverage is maintained for risks above a \$2.5 million retention. Quota share treaties are used to enable the pool to offer certain coverages and enrich the marketability of products.

## Environmental, Social & Governance

AM Best considers Andover's exposure to material environmental, social, and corporate governance (ESG) risks to be modest. The main ESG risk to the group is climate risk, as rising global temperatures contribute to increased frequency and severity of natural catastrophe events. Andover is geographically concentrated in Northeastern states, which exposes it to these events. However, the group utilizes a comprehensive reinsurance program comprised of highly rated reinsurers to manage this risk. As a result, Andover has adequately absorbed these risks in the past.

**Financial Statements**

	3-Months		Year End - December 31			
	2023		2022		2021	
<b>Balance Sheet</b>	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	264,091	6.8	293,879	7.4	467,843	11.8
Bonds	526,456	13.5	520,743	13.2	303,695	7.6
Preferred and Common Stock	2,237,536	57.6	2,282,523	57.7	2,416,633	60.8
Other Invested Assets	208,859	5.4	213,394	5.4	177,657	4.5
<b>Total Cash and Invested Assets</b>	<b>3,236,942</b>	<b>83.3</b>	<b>3,310,539</b>	<b>83.7</b>	<b>3,365,827</b>	<b>84.7</b>
Premium Balances	520,214	13.4	533,578	13.5	482,151	12.1
Other Assets	129,659	3.3	112,416	2.8	125,208	3.2
<b>Total Assets</b>	<b>3,886,815</b>	<b>100.0</b>	<b>3,956,533</b>	<b>100.0</b>	<b>3,973,186</b>	<b>100.0</b>
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	477,834	12.3	355,601	9.0	298,363	7.5
Net IBNR Loss Reserves*	162,074	4.2	178,585	4.5	190,623	4.8
Net LAE Reserves	...	...	57,332	1.4	47,757	1.2
<b>Total Net Loss and LAE Reserves</b>	<b>639,908</b>	<b>16.5</b>	<b>591,518</b>	<b>15.0</b>	<b>536,742</b>	<b>13.5</b>
Net Unearned Premiums	389,112	10.0	398,030	10.1	367,744	9.3
Other Liabilities	746,605	19.2	772,955	19.5	793,529	20.0
<b>Total Liabilities</b>	<b>1,775,625</b>	<b>45.7</b>	<b>1,762,503</b>	<b>44.5</b>	<b>1,698,015</b>	<b>42.7</b>
Capital Stock	1	...	1	...	1	...
Unassigned Surplus	2,110,189	54.3	2,193,029	55.4	2,274,170	57.2
Other Surplus	1,000	...	1,000	...	1,000	...
<b>Total Policyholders' Surplus</b>	<b>2,111,190</b>	<b>54.3</b>	<b>2,194,030</b>	<b>55.5</b>	<b>2,275,172</b>	<b>57.3</b>
<b>Total Liabilities and Surplus</b>	<b>3,886,815</b>	<b>100.0</b>	<b>3,956,533</b>	<b>100.0</b>	<b>3,973,186</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

\* Interim reserves balances include LAE.

	3-Months		Year End - December 31	
	2023	2022	2022	2021
<b>Income Statement USD (000)</b>				
Net Premiums Earned	183,084	180,486	761,284	716,431
Net Losses and LAE Incurred:				
Current Accident Year	176,945	134,601	507,595	489,355
Prior Accident Years	10,344	-8,244	4,978	-9,497
Underwriting Expenses Incurred	78,984	72,234	307,577	303,305
<b>Net Underwriting Income</b>	<b>-83,189</b>	<b>-18,105</b>	<b>-58,867</b>	<b>-66,733</b>
Net Investment Income	23,730	18,265	87,562	70,792
Other Income (Expense)	1,418	-1,177	-2,413	3,446
<b>Pre-Tax Operating Income</b>	<b>-58,040</b>	<b>-1,018</b>	<b>26,282</b>	<b>7,505</b>
Income Taxes Incurred	-13,911	-371	4,073	2,958
<b>Net Operating Income</b>	<b>-44,129</b>	<b>-647</b>	<b>22,209</b>	<b>4,547</b>
Net Realized Capital Gains (Losses)	-22	-20	-9,659	-8,577
<b>Net Income</b>	<b>-44,152</b>	<b>-667</b>	<b>12,551</b>	<b>-4,030</b>

Source: BestLink® - Best's Financial Suite

<b>Statement of Operating Cash Flows USD (000)</b>	<b>3-Months</b>		<b>Year End - December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
Net Premiums Collected	179,521	175,155	759,543	733,110
Net Losses Paid	126,894	100,786	392,438	342,357
Expenses Paid	108,702	94,752	339,182	337,819
Net Underwriting Cash Flow	-56,074	-20,382	27,924	52,934
Net Investment Income	24,736	18,825	85,994	74,013
Other Income (Expense)	1,420	-1,177	-777	4,089
Income Taxes Paid (Recovered)	...	...	-8,893	5,215
Net Operating Cash Flow	-29,919	-2,735	122,034	125,821

Source: BestLink® - Best's Financial Suite

## Andover Companies Pool

**Last Update**

July 24, 2023

**Identifiers**

**AMB #:** 000166

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Property/Casualty business of AMB#: [000166 Andover Companies Pool](#).

AMB#: [002055 Merrimack Mutual Fire Insurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

**Financial Data Presented**

See [LINK](#) for details of the entities represented by the data presented in this report.

### Operations

**Date Incorporated:** February 11, 1828

**Domiciled:** Massachusetts, United States

**Business Type:** Property/Casualty  
**Organization Type:** Mutual  
**Marketing Type:** Independent Agency

## Best's Credit Ratings

### Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

**Best's Credit Rating Effective Date:** July 19, 2023

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 000166 - Andover Companies Pool](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
002053	Bay State Insurance Company	A	a+
002054	Cambridge Mutual Fire Ins Co	A	a+
002055	Merrimack Mutual Fire Ins Co	A	a+

## Corporate Structure

**Ultimate Parent:** AMB # 000166 - Andover Companies Pool

Based on AM Best's analysis, AMB# 000166 Andover Companies Pool is the Associated Ultimate Parent to this group. Its current data structure is based on the corporate structure for the associated ultimate parent and the non-legal entities such as data records and AM Best Groups. Access current [Corporate Structure](#) in BestLink.

### Overview

Andover Companies Pool consists of three insurance entities. Merrimack Mutual Fire Insurance Company (Merrimack) and Cambridge Mutual Fire Insurance Company (Cambridge) are affiliated property/casualty insurers. Merrimack owns 99.3% of the authorized and issued common stock of property/casualty subsidiary Bay State Insurance Company (Bay State). All three companies participate in a pooling arrangement (Merrimack 50%, Cambridge 35% and Bay State 15%). The three companies share a common management. Premiums, losses and expenses are shared through the intercompany pooling arrangement. For ease of operations, a majority of the pool's third-party transactions are handled through Merrimack with the two remaining companies ultimately receiving their portion through the pooling agreement.

**History**

The Andover Companies Pool is led by Merrimack Mutual Fire Insurance Company, which began operations in 1828. Cambridge Mutual Fire Insurance Company was incorporated in 1833 and commenced business in 1834. Bay State Insurance Company, formed in 1955, was the most recent addition to the group.

**Financial Results**

Financial exhibits presented in this report provide calculated ratios using the most recent AM Best consolidated statements available in BestLink - Best's Statement File – P/C, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

**Currency:** US Dollars

**Balance Sheet Highlights**

	Year End - December 31				
<b>Ceded Reinsurance Analysis</b>	2022	2021	2020	2019	2018
<b>Andover Companies Pool</b>					
Ceded Reinsurance USD (000)	100,046	72,613	102,022	105,716	82,543
Business Retention (%)	91.5	93.0	89.9	90.3	90.9
Reinsurance Recoverables to PHS (%)	1.2	0.7	1.4	2.0	1.2
Ceded Reinsurance to PHS (%)	4.6	3.2	5.6	5.9	5.4
<b>Personal Property Composite</b>					
Business Retention (%)	50.6	50.7	52.2	53.5	53.7
Reinsurance Recoverables to PHS (%)	31.7	20.5	20.5	18.1	19.9
Ceded Reinsurance to PHS (%)	58.9	46.3	45.3	40.2	41.2

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
<b>2022 Reinsurance Recoverables USD (000)</b>					
US Affiliates	357,569	131,530	357,436	14,357	860,893
US Insurers	8,318	...	8,547	899	17,764
Pools/Associations	...	...	1	...	1
Other Non-US	8,953	...	67	...	9,020
Total (excluding US Affiliates)	17,271	...	8,615	899	26,785
<b>Grand Total</b>	<b>374,841</b>	<b>131,530</b>	<b>366,051</b>	<b>15,256</b>	<b>887,677</b>

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Asset Liability Management | Investments**

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Bond Portfolio</b>							
Bonds & Short Term Investments USD(000)	526,456	498,161	520,743	303,695	498,195	552,554	181,480
<b>By Issuer (%)</b>							
Unaffiliated Bonds:							
US Government	...	...	33.1	74.7	66.4	62.4	16.2
Foreign - All other	...	...	6.3	...	...	...	...
State, Municipal & Special Revenue	...	...	27.7	15.6	9.6	15.9	67.3
Industrial and Misc, Hybrid and SVO Identified	...	...	32.8	9.8	24.0	21.7	16.5
<b>Bonds and Short Term Investments By Private vs Public (%)</b>							
Private issues	...	...	8.4	...	...	...	...
Public issues	...	...	91.6	100.0	100.0	100.0	100.0
<b>Bonds and Short Term Investments By Quality (%)</b>							
Class 1	88.4	90.7	88.4	99.3	92.0	100.0	100.0
Class 2	11.4	9.3	11.5	0.7	8.0	...	...
Class 3	0.2	...	0.2	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.2	...	0.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Stock Portfolio</b>							
Stocks USD(000)	2,237,536	2,388,888	2,282,523	2,416,633	1,863,180	1,781,823	1,726,269
<b>By Type (%)</b>							
Unaffiliated Common	...	...	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Operating and Financial Performance Ratios (%)</b>								
<b>Personal Property Composite</b>								
Calendar Year Loss and LAE Ratio	75.5	63.4	79.1	74.7	80.5	66.9	70.4	74.6
Expense and Policyholder Dividend Ratio	25.4	26.6	26.4	28.3	29.3	29.7	30.5	28.7
Combined Ratio	100.9	90.0	105.5	103.0	109.8	96.5	100.9	103.3
Reserve Development Ratio Impact	-5.5	-5.5	-0.1	0.4	-1.9	-1.2	-2.0	-0.9
Net Investment Yield	2.5	2.0	2.2	2.1	2.4	2.5	2.4	2.3
Pre-Tax Operating Return on Net Earned Premiums	3.3	13.5	-1.5	1.2	-4.1	10.0	5.7	2.0
Net Income Return on Policyholders' Surplus	2.4	7.6	-1.4	1.2	-1.3	5.6	3.5	1.4
Total Return on Policyholders' Surplus	2.0	5.0	-4.2	5.4	0.1	8.8	1.4	2.2

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

	2022	Year End - December 31			
		2021	2020	2019	2018
<b>By Line - Net Loss Ratio (%)</b>					
Homeowners	59.6	55.3	52.6	52.9	58.7
Rein-NPA Prop	70.4	95.1	49.4	89.8	106.1
Comm M.P.	63.1	50.0	37.0	38.1	37.2
Fire	47.1	42.0	35.3	37.4	38.1
Other Liab	43.6	34.1	26.7	14.1	22.2
Allied Lines	56.4	59.3	70.8	58.2	78.7
Inland Marine	23.6	20.0	16.9	23.8	20.0
Auto Phys Dmg	63.0	51.6	40.0	51.9	54.4
PP Auto Liab	60.7	48.6	37.2	56.6	60.8
All Other	...	-99.9	50.0	...	60.0
Total	59.6	59.6	47.4	55.3	61.7

Source: BestLink® - Best's Financial Suite

	2022	Year End - December 31			
		2021	2020	2019	2018
<b>Geographic - Direct Loss Ratio (%)</b>					
Massachusetts	45.4	38.5	38.5	42.5	39.7
New York	62.6	53.6	40.9	43.6	40.0
New Jersey	48.1	61.0	49.4	40.5	55.4
Connecticut	53.8	51.9	44.8	39.9	71.1
Rhode Island	65.2	47.0	62.9	56.4	63.4
Illinois	71.9	44.0	46.0	50.1	32.9
Maine	65.8	37.7	42.5	42.4	48.0
New Hampshire	50.5	54.3	31.2	29.0	52.1
Total	53.9	46.9	42.7	42.9	46.6

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

**Historical Market Presence**

	2022	Year End - December 31			
		2021	2020	2019	2018
<b>By Line Breakdown - NPW USD (000)</b>					
Homeowners	370,306	338,704	309,962	301,783	291,732
Comm M.P.	140,010	122,629	93,270	79,703	71,550
Rein-NPA Prop	123,841	138,840	140,061	134,999	140,672
Fire	58,087	55,457	51,225	50,013	48,509
Allied Lines	42,257	39,311	37,748	36,584	35,123
Other Liab	42,074	40,914	40,158	39,205	37,717
Inland Marine	11,367	11,401	11,154	10,682	10,699
Auto Phys Dmg	1,862	1,845	1,847	1,734	1,736
PP Auto Liab	1,766	1,780	1,871	1,765	1,795
Total	791,570	750,882	687,295	656,469	639,534

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

**Historical Market Presence (Continued...)**

	Year End - December 31		2020
	2022	2021	
<b>By Line Reserves USD (000)</b>			
Rein-NPA Prop	252,023	253,754	206,972
Homeowners	149,326	128,250	118,633
Comm M.P.	94,840	67,168	47,151
Other Liab	62,416	57,865	52,153
Fire	19,656	17,941	15,415
Allied Lines	10,509	9,416	12,325
PP Auto Liab	1,563	1,395	1,192
Inland Marine	1,099	838	795
Auto Phys Dmg	86	116	79
<b>Total</b>	<b>591,518</b>	<b>536,742</b>	<b>454,716</b>

Source: BestLink® - Best's Financial Suite



## Bay State Insurance Company

### Operations

**Date Incorporated:** May 31, 1955 | **Date Commenced:** July 01, 1955

**Domiciled:** Massachusetts, United States

**Licensed:** (Current since 05/30/2019). The company is licensed in CT, IL, ME, MA, NH, NJ, NY, RI and VT.

**Business Type:** Property/Casualty  
**Organization Type:** Stock  
**Marketing Type:** Independent Agency  
**Financial Size:** XV (Greater than or Equal to USD 2.00 Billion)

**Last Update**

July 28, 2023

**Identifiers**

**AMB #:** 002053

**NAIC #:** 19763

**FEIN #:** 04-2200004

**LEI #:** 254900GBNO9S0H8MJD47

**Contact Information**

Domiciliary Address:  
 95 Old River Road, Andover,  
 Massachusetts 01810  
 United States

**Web:** [www.andovercompanies.com](http://www.andovercompanies.com)

**Phone:** +1-978-475-3300

**Fax:** +1-800-323-5112

**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

## Best's Credit Ratings

### Rating Relationship

**AM Best Rating Unit:** [000166 - Andover Companies Pool](#)

Bay State Insurance Company is a member of Andover Companies Pool (AMB# 000166) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 000166 - Andover Companies Pool](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

### Best's Credit Rating History

AM Best has assigned ratings on this company since 1956. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
<b>Current -</b>							
<b>Jul 19, 2023</b>	<b>A</b>	<b>p (Pooled Rating)</b>	<b>Stable</b>	<b>Affirmed</b>	<b>a+</b>	<b>Stable</b>	<b>Affirmed</b>
Jun 27, 2022	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
Jun 10, 2021	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
May 14, 2020	A	p (Pooled Rating)	Stable	Downgraded	a+	Negative	Downgraded
Apr 30, 2019	A+	p (Pooled Rating)	Negative	Affirmed	aa-	Negative	Affirmed

## Corporate Structure

**Ultimate Parent:** AMB # 000166 - Andover Companies Pool

Based on AM Best's analysis, AMB# 000166 Andover Companies Pool is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

## Management

Ownership, from commencement of business until 1969, was held jointly by the Merrimack Mutual Fire Insurance Company (75%) and the Cambridge Mutual Fire Insurance Company (25%). The latter's interest in that year was acquired by the Merrimack Mutual.

Under the same management are Cambridge Mutual Fire Insurance Company (organized in 1833) and Merrimack Mutual Fire Insurance Company, Andover, Mass., established in 1828.

### Officers

**President and CEO:** Charles J. DiGrande

**EVP:** Paul R. Nadeau (Underwriting)

**SVP:** Stephen E. Randall (Claims)

**Vice President, Secretary and General Counsel:** Kevin J. Ouellette

**Vice President and Treasurer:** Amy L. DiPerna

**Vice President:** Justin H. Libbey (Marketing)

**Vice President:** Kevin A. McNamara (Information Technology)

### Directors

John A. Appleton

Malcolm W. Brawn

David F. Dietz

Charles J. DiGrande

Amy L. DiPerna

Thomas J. Hollister

Paul J. Jacques

Amy A. Latimer

Paul R. Nadeau

Stephen E. Randall

Thomas J. Ridge

David A. Splaine

John A. Swift

## History

This company was incorporated May 31, 1955 under the laws of Massachusetts and began business July 1 of the same year. Paid up capital of \$3,500,000 consists of 100,000 common shares at \$35 par value each. All of the shares are outstanding.

## Regulatory

**Auditor:** PricewaterhouseCoopers, LLP

**Actuary:** Maryellen Coggins, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2019, by the insurance department of Massachusetts. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Maryellen Coggins, FCAS, MAAA, PricewaterhouseCoopers, LLP.

**Financial Statements**

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

**Currency:** US Dollars

	3-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
<b>Balance Sheet</b>						
Cash and Short Term Investments	43,769	5.4	45,417	5.5	73,338	8.7
Bonds	86,626	10.7	85,151	10.3	46,848	5.6
Preferred and Common Stock	564,517	69.7	576,428	69.9	609,022	72.6
Other Invested Assets	13,035	1.6	13,722	1.7	14,819	1.8
<b>Total Cash and Invested Assets</b>	<b>707,947</b>	<b>87.4</b>	<b>720,719</b>	<b>87.4</b>	<b>744,026</b>	<b>88.7</b>
Premium Balances	80,893	10.0	82,675	10.0	73,537	8.8
Other Assets	21,251	2.6	21,699	2.6	21,313	2.5
<b>Total Assets</b>	<b>810,091</b>	<b>100.0</b>	<b>825,092</b>	<b>100.0</b>	<b>838,877</b>	<b>100.0</b>
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	71,675	8.8	53,340	6.5	44,754	5.3
Net IBNR Loss Reserves*	24,311	3.0	26,788	3.2	28,593	3.4
Net LAE Reserves	...	...	8,600	1.0	7,163	0.9
<b>Total Net Loss and LAE Reserves</b>	<b>95,986</b>	<b>11.8</b>	<b>88,728</b>	<b>10.8</b>	<b>80,511</b>	<b>9.6</b>
Net Unearned Premiums	58,367	7.2	59,705	7.2	55,162	6.6
Other Liabilities	145,478	18.0	151,160	18.3	157,019	18.7
<b>Total Liabilities</b>	<b>299,831</b>	<b>37.0</b>	<b>299,592</b>	<b>36.3</b>	<b>292,692</b>	<b>34.9</b>
Capital Stock	3,500	0.4	3,500	0.4	3,500	0.4
Unassigned Surplus	506,760	62.6	522,000	63.3	542,684	64.7
<b>Total Policyholders' Surplus</b>	<b>510,260</b>	<b>63.0</b>	<b>525,500</b>	<b>63.7</b>	<b>546,184</b>	<b>65.1</b>
<b>Total Liabilities and Surplus</b>	<b>810,091</b>	<b>100.0</b>	<b>825,092</b>	<b>100.0</b>	<b>838,877</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

\* Interim reserves balances include LAE.

	3-Months		Year End - December 31	
	2023	2022	2022	2021
<b>Income Statement USD (000)</b>				
Net Premiums Earned	27,463	27,073	114,193	107,465
Net Losses and LAE Incurred:				
Current Accident Year	26,541	20,191	76,139	73,403
Prior Accident Years	1,552	-1,237	747	-1,424
Underwriting Expenses Incurred	11,848	10,835	46,137	45,496
<b>Net Underwriting Income</b>	<b>-12,478</b>	<b>-2,716</b>	<b>-8,830</b>	<b>-10,010</b>
Net Investment Income	5,078	4,158	19,269	15,567
Other Income (Expense)	213	-177	-362	517
<b>Pre-Tax Operating Income</b>	<b>-7,187</b>	<b>1,266</b>	<b>10,077</b>	<b>6,074</b>
Income Taxes Incurred	-1,881	265	2,052	1,101
<b>Net Operating Income</b>	<b>-5,307</b>	<b>1,001</b>	<b>8,026</b>	<b>4,973</b>
Net Realized Capital Gains (Losses)	-4	...	-1,518	...
<b>Net Income</b>	<b>-5,310</b>	<b>1,001</b>	<b>6,508</b>	<b>4,973</b>

Source: BestLink® - Best's Financial Suite

**Statement of Operating Cash Flows USD (000)**

	3-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	22,790	17,999	112,335	111,230
Net Losses Paid	18,905	13,392	61,697	50,990
Expenses Paid	16,284	14,208	50,892	50,668
Net Underwriting Cash Flow	-12,399	-9,601	-255	9,571
Net Investment Income	4,702	3,785	18,911	15,938
Other Income (Expense)	213	-177	-117	613
Income Taxes Paid (Recovered)	...	...	-1,366	1,570
Net Operating Cash Flow	-7,483	-5,992	19,905	24,553

Source: BestLink® - Best's Financial Suite

**Financial Results**

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – P/C, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

Currency: US Dollars

**Key Financial Indicators**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	26,459	22,500	128,600	110,172	100,059	90,047	81,862
Assumed*	26,125	25,609	...	2,460	3,035	8,423	14,068
Ceded*	26,459	22,500	9,865	...	...	...	...
Net	26,125	25,609	118,736	112,632	103,094	98,470	95,930
Net Operating Income	-5,307	1,001	8,026	4,973	15,134	7,707	8,488
Net Income	-5,310	1,001	6,508	4,973	6,177	20,112	2,880
Total Admitted Assets	810,091	820,741	825,092	838,877	681,065	635,526	547,820
Policyholders' Surplus	510,260	530,916	525,500	546,184	432,174	404,169	331,912

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Combined Ratio Impact	5.7	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.8	2.3	2.6	2.3	2.4	2.7	3.0	2.6
Pre-Tax Operating Return on Net Earned Premiums	-26.2	4.7	8.8	5.7	18.2	10.3	9.6	10.4
Net Income Return on Policyholders' Surplus	-4.1	0.7	1.2	1.0	1.5	5.5	0.8	1.9
Total Return on Policyholders' Surplus	-11.4	-11.1	-5.0	21.8	7.9	19.3	-8.6	7.1
Leverage:								
Net	0.8	0.8	0.8	0.7	0.8	0.8	0.9	...
Gross	...	...	0.8	0.7	0.8	0.8	0.9	...
Non-affiliated Investment	110.7	112.2	109.7	111.5	108.9	100.8	116.3	...

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Capital Generation Analysis USD (000)</b>							
Beginning Policyholders' Surplus	525,500	546,184	546,184	432,174	404,169	331,912	367,916
Net Operating Income	-5,307	1,001	8,026	4,973	15,134	7,707	8,488
Net Realized Capital Gains (Losses)	-4	...	-1,518	...	-8,956	12,405	-5,608
Net Unrealized Capital Gains (Losses)	-9,506	-15,915	-33,558	101,457	26,819	50,856	-32,970
Other Changes in Capital and Surplus	-424	-354	6,366	7,581	-4,991	1,289	-5,914
Net Change in Policyholders' Surplus	-15,240	-15,269	-20,685	114,011	28,005	72,257	-36,004
<b>Ending Policyholders' Surplus</b>	<b>510,260</b>	<b>530,916</b>	<b>525,500</b>	<b>546,184</b>	<b>432,174</b>	<b>404,169</b>	<b>331,912</b>
Net Change in Policyholders' Surplus (%)	-2.9	-2.8	-3.8	26.4	6.9	21.8	-9.8
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	7.4	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Liquidity Analysis</b>							
Net Operating Cash Flow USD (000)	-7,483	-5,992	19,905	24,553	20,087	17,997	4,146
Current Liquidity (%)	232.3	246.9	236.4	249.5	233.9	234.0	209.7

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Ceded Reinsurance Analysis</b>					
<b>Bay State Insurance Company</b>					
Business Retention (%)	92.3	100.0	100.0	100.0	100.0
<b>Personal Property Composite</b>					
Business Retention (%)	50.6	50.7	52.2	53.5	53.7
Reinsurance Recoverables to PHS (%)	31.7	20.5	20.5	18.1	19.9
Ceded Reinsurance to PHS (%)	58.9	46.3	45.3	40.2	41.2

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
<b>2022 Reinsurance Recoverables USD (000)</b>					
US Affiliates	53,764	12,367	66,246	2,846	135,223
<b>Grand Total</b>	<b>53,764</b>	<b>12,367</b>	<b>66,246</b>	<b>2,846</b>	<b>135,223</b>

Source: BestLink® - Best's Financial Suite

**Asset Liability Management | Investments**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Composition of Cash and Invested Assets</b>							
Total Cash and Invested Assets USD (000)	707,947	728,960	720,719	744,026	595,383	554,363	464,863
<b>Composition Percentages (%)</b>							
Unaffiliated:							
Cash and Short Term Investments	6.2	5.7	6.3	9.9	6.1	9.7	9.1
Bonds	12.2	10.5	11.8	6.3	12.4	14.3	5.0
Stocks	79.7	81.7	80.0	81.9	79.0	73.5	83.1
<b>Total Unaffiliated</b>	<b>98.2</b>	<b>98.0</b>	<b>98.1</b>	<b>98.0</b>	<b>97.6</b>	<b>97.4</b>	<b>97.1</b>
Investments in Affiliates	1.8	2.0	1.9	2.0	2.4	2.6	2.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Asset Liability Management | Investments (Continued...)**

<b>Bonds and Short Term Investments</b>	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
<b>Distribution by Maturity (%)</b>						
Government Bonds	11.4	16.2	4.2	...	...	2.7
Government Agencies and Municipal Bonds	1.4	6.3	13.8	7.8	1.6	9.1
Industrial and Miscellaneous Bonds	5.7	23.6	7.3	0.6	0.1	3.8
<b>Total Bonds</b>	<b>18.4</b>	<b>46.1</b>	<b>25.3</b>	<b>8.4</b>	<b>1.7</b>	<b>5.1</b>

Source: BestLink® - Best's Financial Suite

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Bond Portfolio**

Bonds & Short Term Investments USD(000)	86,626	76,764	85,151	46,848	73,874	79,088	23,166
<b>By Issuer (%)</b>							
Unaffiliated Bonds:							
US Government	...	...	31.8	65.2	57.6	54.0	18.5
Foreign - All other	...	...	5.9	...	...	...	...
State, Municipal & Special Revenue	...	...	30.9	23.6	15.0	20.4	81.5
Industrial and Misc, Hybrid and SVO Identified	...	...	31.3	11.2	27.4	25.7	...
<b>Bonds and Short Term Investments By Private vs Public (%)</b>							
Private issues	...	...	7.9	...	...	...	...
Public issues	...	...	92.1	100.0	100.0	100.0	100.0
<b>Bonds and Short Term Investments By Quality (%)</b>							
Class 1	89.2	91.3	89.0	100.0	93.2	100.0	100.0
Class 2	10.7	8.7	10.8	...	6.8	...	...
Class 3	0.1	...	0.1	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.1	...	0.1	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Stock Portfolio**

Stocks USD(000)	564,517	595,685	576,428	609,022	470,606	407,292	386,131
<b>By Type (%)</b>							
Unaffiliated Common	...	...	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

**Reserve Adequacy**

**Loss and Loss Adjustment Expense Reserve Development**

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Calendar Year:**

Loss and ALAE* Reserves USD (000)	95,986	82,539	84,830	78,372	64,929	56,134	56,431
Loss and ALAE* Reserves Development USD (000)	1,552	-1,237	...	1,320	-254	-9,111	-5,017
Development to:							
Original Reserves (%)	...	...	...	1.7	-0.4	-14.0	-8.2
Prior Year End Reserves(%)	1.7	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	0.3	-0.2	...	0.2	-0.1	-2.3	-1.5

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Reserve Adequacy (Continued...)**

**Loss and Loss Adjustment Expense Reserve Development (Continued...)**

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Accident Year:</b>					
Original Loss and ALAE Reserves USD (000)	37,999	37,715	27,317	31,602	33,855
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	37,999	38,458	32,131	27,161	31,121
Development to Original Reserves (%)	...	2.0	17.6	-14.1	-8.1
Accident Year Loss and LAE Ratio (%)	66.7	68.5	62.9	56.9	69.8
Accident Year Combined Ratio (%)	105.5	108.9	103.9	98.8	105.9

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

Operating and Financial Performance Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Bay State Insurance Company</b>								
Calendar Year Loss and LAE Ratio	102.3	70.0	67.3	67.0	53.9	62.2	67.9	63.7
Expense and Policyholder Dividend Ratio	45.3	42.3	38.9	40.4	41.0	41.8	36.0	39.6
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Ratio Impact	5.7	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.8	2.3	2.6	2.3	2.4	2.7	3.0	2.6
Pre-Tax Operating Return on Net Earned Premiums	-26.2	4.7	8.8	5.7	18.2	10.3	9.6	10.4
Net Income Return on Policyholders' Surplus	-4.1	0.7	1.2	1.0	1.5	5.5	0.8	1.9
Total Return on Policyholders' Surplus	-11.4	-11.1	-5.0	21.8	7.9	19.3	-8.6	7.1

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Personal Property Composite</b>								
Calendar Year Loss and LAE Ratio	75.5	63.4	79.1	74.7	80.5	66.9	70.4	74.6
Expense and Policyholder Dividend Ratio	25.4	26.6	26.4	28.3	29.3	29.7	30.5	28.7
Combined Ratio	100.9	90.0	105.5	103.0	109.8	96.5	100.9	103.3
Reserve Development Ratio Impact	-5.5	-5.5	-0.1	0.4	-1.9	-1.2	-2.0	-0.9
Net Investment Yield	2.5	2.0	2.2	2.1	2.4	2.5	2.4	2.3
Pre-Tax Operating Return on Net Earned Premiums	3.3	13.5	-1.5	1.2	-4.1	10.0	5.7	2.0
Net Income Return on Policyholders' Surplus	2.4	7.6	-1.4	1.2	-1.3	5.6	3.5	1.4
Total Return on Policyholders' Surplus	2.0	5.0	-4.2	5.4	0.1	8.8	1.4	2.2

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

	2022	Year End - December 31			
		2021	2020	2019	2018
<b>By Line - Net Loss Ratio (%)</b>					
Homeowners	59.6	55.3	52.6	52.9	58.7
Rein-NPA Prop	70.4	95.1	49.4	89.8	106.1
Comm M.P.	63.1	50.0	37.0	38.1	37.2
Fire	47.1	42.0	35.3	37.4	38.1
Other Liab	43.6	34.1	26.7	14.1	22.2
Allied Lines	56.4	59.3	70.8	58.2	78.7
Inland Marine	23.6	20.0	16.9	23.8	20.0
Auto Phys Dmg	63.0	51.6	40.0	51.9	54.4
PP Auto Liab	60.7	48.6	37.2	56.6	60.8
All Other	...	-99.9	...	-99.9	300.0
Total	59.6	59.6	47.4	55.3	61.7

Source: BestLink® - Best's Financial Suite

	2022	Year End - December 31			
		2021	2020	2019	2018
<b>Geographic - Direct Loss Ratio (%)</b>					
Massachusetts	53.7	39.9	38.5	47.5	42.3
New Jersey	60.1	74.0	57.9	42.7	54.5
New York	113.3	103.6	51.7	57.8	42.2
Total	60.7	52.5	43.8	47.4	45.5

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

	3-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
<b>Premium Composition and Growth</b>								
Direct Premiums Written USD (000)	26,459	22,500	128,600	110,172	100,059	90,047	81,862	...
% Change	17.6	12.0	16.7	10.1	11.1	10.0	9.9	11.5
Reinsurance Premiums Assumed USD (000)*	26,125	25,609	...	2,460	3,035	8,423	14,068	...
% Change	2.0	-4.9	-99.9	-19.0	-64.0	-40.1	41.8	...
Reinsurance Premiums Ceded USD (000)*	26,459	22,500	9,865	...	...	...	...	...
% Change	17.6	12.0	...	...	...	...	...	...
Net Premiums Written USD (000)	26,125	25,609	118,736	112,632	103,094	98,470	95,930	...
% Change	2.0	-4.9	5.4	9.3	4.7	2.6	13.6	7.1

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.



**Business Profile Highlights**

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Homeowners	101,551	79.0	...	...	46,005	466.4	55,546	46.8	54.7
Comm M.P.	16,140	12.6	4,862	...	...	...	21,002	17.7	100.0
Other Liab Occurrence	6,119	4.8	192	...	...	...	6,311	5.3	100.0
Inland Marine	3,761	2.9	...	...	2,056	20.8	1,705	1.4	45.3
Fire	586	0.5	8,127	...	...	...	8,713	7.3	100.0
Top 5	128,157	99.7	13,181	...	48,061	487.2	93,277	78.6	66.0
All Other	443	0.3	-13,181	...	-38,196	-99.9	25,459	21.4	-99.9
Total	128,600	100.0	...	100.0	9,865	100.0	118,736	100.0	92.3

Source: BestLink® - Best's Financial Suite

**Historical Market Presence**

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>By Line Breakdown - NPW USD (000)</b>					
Homeowners	55,546	50,806	46,494	45,267	43,760
Comm M.P.	21,002	18,394	13,991	11,955	10,733
Rein-NPA Prop	18,576	20,826	21,009	20,250	21,101
Fire	8,713	8,319	7,684	7,502	7,276
Allied Lines	6,339	5,897	5,662	5,488	5,269
Other Liab	6,311	6,137	6,024	5,881	5,658
Inland Marine	1,705	1,710	1,673	1,602	1,605
Auto Phys Dmg	279	277	277	260	260
PP Auto Liab	265	267	281	265	269
Total	118,736	112,632	103,094	98,470	95,930

Source: BestLink® - Best's Financial Suite

**By Geographic Breakdown - DPW USD (000)**

	2022	2021	2020	2019	2018
Massachusetts	94,579	79,712	70,701	61,273	53,298
New Jersey	21,510	19,408	19,346	19,764	20,255
New York	12,510	11,052	10,012	9,010	8,309
Total	128,600	110,172	100,059	90,047	81,862
<b>Geographic Concentration Index</b>	0.58	...	...	...	...

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

**Historical Market Presence (Continued...)**

	Year End - December 31		2020
	2022	2021	
<b>By Line Reserves USD (000)</b>			
Rein-NPA Prop	37,804	38,063	31,046
Homeowners	22,399	19,237	17,795
Comm M.P.	14,226	10,075	7,073
Other Liab	9,362	8,680	7,823
Fire	2,948	2,691	2,312
Allied Lines	1,576	1,412	1,849
PP Auto Liab	234	209	179
Inland Marine	165	126	119
Auto Phys Dmg	13	17	12
<b>Total</b>	<b>88,728</b>	<b>80,511</b>	<b>68,207</b>

Source: BestLink® - Best's Financial Suite

## Cambridge Mutual Fire Insurance Company

**Last Update**

July 28, 2023

**Identifiers**

**AMB #:** 002054

**NAIC #:** 19771

**FEIN #:** 04-1144900

**LEI #:** 2549000C9GBX9A5SPK63

**Contact Information**

Domiciliary Address:

95 Old River Road, Andover,  
Massachusetts 01810  
United States

**Web:** [www.andovercompanies.com](http://www.andovercompanies.com)

**Phone:** +1-978-475-3300

**Fax:** +1-800-323-5112

**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

### Operations

**Date Incorporated:** March 14, 1833 | **Date Commenced:** January 01, 1834

**Domiciled:** Massachusetts, United States

**Licensed:** (Current since 05/30/2019). The company is licensed in CT, IL, ME, MA, NH, NJ, NY, RI and VT.

**Business Type:** Property/Casualty

**Organization Type:** Mutual

**Marketing Type:** Independent Agency

**Financial Size:** XV (Greater than or Equal to USD 2.00 Billion)

## Best's Credit Ratings

### Rating Relationship

**AM Best Rating Unit:** [000166 - Andover Companies Pool](#)

Cambridge Mutual Fire Insurance Company is a member of Andover Companies Pool (AMB# 000166) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 000166 - Andover Companies Pool](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

### Best's Credit Rating History

AM Best has assigned ratings on this company since 1923. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
<b>Current -</b>							
<b>Jul 19, 2023</b>	<b>A</b>	<b>p (Pooled Rating)</b>	<b>Stable</b>	<b>Affirmed</b>	<b>a+</b>	<b>Stable</b>	<b>Affirmed</b>
Jun 27, 2022	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
Jun 10, 2021	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
May 14, 2020	A	p (Pooled Rating)	Stable	Downgraded	a+	Negative	Downgraded
Apr 30, 2019	A+	p (Pooled Rating)	Negative	Affirmed	aa-	Negative	Affirmed

## Corporate Structure

**Ultimate Parent:** AMB # 000166 - Andover Companies Pool

Based on AM Best's analysis, AMB# 000166 Andover Companies Pool is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

## Management

Under the same management are Bay State Insurance Company (organized in 1955) and Merrimack Mutual Fire Insurance Company, Andover, Massachusetts, established in 1828.

### Officers

**President and CEO:** Charles J. DiGrande

**EVP:** Paul R. Nadeau (Underwriting)

**SVP:** Stephen E. Randall (Claims)

**Vice President, Secretary and General Counsel:** Kevin J. Ouellette

**Vice President and Treasurer:** Amy L. DiPerna

**Vice President:** Justin H. Libbey (Marketing)

**Vice President:** Kevin A. McNamara (Information Technology)

### Directors

John Appleton

Malcolm W. Brawn

David F. Dietz

Charles J. DiGrande

Thomas J. Hollister

Paul J. Jacques

Amy A. Latimer

Thomas J. Ridge

David A. Splaine

John A. Swift

## History

This company was incorporated March 14, 1833 under the laws of Massachusetts and began business January 1, 1834. The company absorbed by merger, on January 1, 1971, Traders and Mechanics Insurance Company (Mutual), Lowell, Massachusetts.

## Regulatory

**Auditor:** PricewaterhouseCoopers, LLP

**Actuary:** Maryellen Coggins, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2019, by the insurance department of Massachusetts. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Maryellen Coggins, FCAS, MAAA, PricewaterhouseCoopers, LLP.

**Financial Statements**

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

**Currency:** US Dollars

	3-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
<b>Balance Sheet</b>						
Cash and Short Term Investments	100,739	7.5	111,478	8.2	172,471	12.7
Bonds	196,416	14.6	193,618	14.2	114,661	8.4
Preferred and Common Stock	783,329	58.3	792,274	58.2	824,599	60.6
Other Invested Assets	30,415	2.3	32,018	2.4	34,578	2.5
<b>Total Cash and Invested Assets</b>	<b>1,110,899</b>	<b>82.7</b>	<b>1,129,387</b>	<b>83.0</b>	<b>1,146,309</b>	<b>84.2</b>
Premium Balances	188,751	14.0	192,908	14.2	171,587	12.6
Other Assets	44,171	3.3	37,968	2.8	43,840	3.2
<b>Total Assets</b>	<b>1,343,821</b>	<b>100.0</b>	<b>1,360,263</b>	<b>100.0</b>	<b>1,361,736</b>	<b>100.0</b>
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	167,242	12.4	124,460	9.1	104,427	7.7
Net IBNR Loss Reserves*	56,726	4.2	62,505	4.6	66,718	4.9
Net LAE Reserves	...	...	20,066	1.5	16,715	1.2
<b>Total Net Loss and LAE Reserves</b>	<b>223,968</b>	<b>16.7</b>	<b>207,031</b>	<b>15.2</b>	<b>187,860</b>	<b>13.8</b>
Net Unearned Premiums	136,189	10.1	139,311	10.2	128,710	9.5
Other Liabilities	244,040	18.2	250,700	18.4	262,032	19.2
<b>Total Liabilities</b>	<b>604,197</b>	<b>45.0</b>	<b>597,042</b>	<b>43.9</b>	<b>578,602</b>	<b>42.5</b>
Unassigned Surplus	739,124	55.0	762,721	56.1	782,634	57.5
Other Surplus	500	...	500	...	500	...
<b>Total Policyholders' Surplus</b>	<b>739,624</b>	<b>55.0</b>	<b>763,221</b>	<b>56.1</b>	<b>783,134</b>	<b>57.5</b>
<b>Total Liabilities and Surplus</b>	<b>1,343,821</b>	<b>100.0</b>	<b>1,360,263</b>	<b>100.0</b>	<b>1,361,736</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

\* Interim reserves balances include LAE.

	3-Months		Year End - December 31	
	2023	2022	2022	2021
<b>Income Statement USD (000)</b>				
Net Premiums Earned	64,080	63,170	266,449	250,751
Net Losses and LAE Incurred:				
Current Accident Year	61,931	47,110	177,658	171,274
Prior Accident Years	3,620	-2,885	1,743	-3,324
Underwriting Expenses Incurred	27,644	25,282	107,652	106,157
<b>Net Underwriting Income</b>	<b>-29,116</b>	<b>-6,337</b>	<b>-20,603</b>	<b>-23,356</b>
Net Investment Income	8,118	6,199	30,576	25,407
Other Income (Expense)	496	-412	-845	1,206
<b>Pre-Tax Operating Income</b>	<b>-20,502</b>	<b>-549</b>	<b>9,128</b>	<b>3,257</b>
Income Taxes Incurred	-4,790	-108	1,395	1,162
<b>Net Operating Income</b>	<b>-15,712</b>	<b>-441</b>	<b>7,734</b>	<b>2,095</b>
Net Realized Capital Gains (Losses)	-7	-10	-4,518	-433
<b>Net Income</b>	<b>-15,718</b>	<b>-451</b>	<b>3,216</b>	<b>1,662</b>

Source: BestLink® - Best's Financial Suite

**Statement of Operating Cash Flows USD (000)**

	2023	2022	2022	2021
Net Premiums Collected	65,485	51,827	257,947	258,090
Net Losses Paid	43,932	36,576	137,888	114,307
Expenses Paid	37,997	33,151	118,748	118,226
Net Underwriting Cash Flow	-16,444	-17,899	1,311	25,556
Net Investment Income	9,159	7,156	29,599	26,011
Other Income (Expense)	497	-412	-272	1,431
Income Taxes Paid (Recovered)	...	...	-2,317	2,119
Net Operating Cash Flow	-6,788	-11,156	32,954	50,879

Source: BestLink® - Best's Financial Suite

**Financial Results**

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – P/C, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

**Currency:** US Dollars

**Key Financial Indicators**

	3-Months		Year End - December 31				
<b>Key Financial Indicators USD (000)</b>	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	39,301	35,884	176,548	161,731	143,446	128,936	115,790
Assumed*	60,958	59,754	100,501	101,078	97,108	100,828	108,047
Ceded*	39,301	35,884	...	...	...	...	...
Net	60,958	59,754	277,050	262,809	240,553	229,764	223,837
Net Operating Income	-15,712	-441	7,734	2,095	25,181	10,990	11,713
Net Income	-15,718	-451	3,216	1,662	10,322	7,267	-3,904
Total Admitted Assets	1,343,821	1,363,976	1,360,263	1,361,736	1,149,982	1,132,298	1,007,411
Policyholders' Surplus	739,624	769,774	763,221	783,134	638,924	639,198	540,974

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

	3-Months		Year End - December 31					Weighted Average
<b>Key Financial Ratios (%)</b>	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Combined Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.9	2.2	2.7	2.4	2.5	2.8	2.9	2.7
Pre-Tax Operating Return on Net Earned Premiums	-32.0	-0.9	3.4	1.3	14.4	6.9	5.4	6.1
Net Income Return on Policyholders' Surplus	-8.4	-0.2	0.4	0.2	1.6	1.2	-0.7	0.6
Total Return on Policyholders' Surplus	-12.2	-6.7	-4.5	17.8	1.9	16.3	-4.1	5.4
Leverage:								
Net	1.2	1.1	1.1	1.1	1.2	1.1	1.3	...
Gross	...	...	1.1	1.1	1.2	1.1	1.3	...
Non-affiliated Investment	105.9	105.1	103.8	105.3	99.9	99.3	108.2	...

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Capital Generation Analysis USD (000)</b>							
Beginning Policyholders' Surplus	763,221	783,134	783,134	638,924	639,198	540,974	579,529
Net Operating Income	-15,712	-441	7,734	2,095	25,181	10,990	11,713
Net Realized Capital Gains (Losses)	-7	-10	-4,518	-433	-14,859	-3,723	-15,617
Net Unrealized Capital Gains (Losses)	-7,289	-12,474	-37,913	124,820	1,549	88,805	-18,983
Other Changes in Capital and Surplus	-590	-434	14,785	17,728	-12,145	2,151	-15,667
Net Change in Policyholders' Surplus	-23,597	-13,360	-19,913	144,210	-274	98,224	-38,555
<b>Ending Policyholders' Surplus</b>	<b>739,624</b>	<b>769,774</b>	<b>763,221</b>	<b>783,134</b>	<b>638,924</b>	<b>639,198</b>	<b>540,974</b>
Net Change in Policyholders' Surplus (%)	-3.1	-1.7	-2.5	22.6	...	18.2	-6.7
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	5.7	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Liquidity Analysis</b>							
Net Operating Cash Flow USD (000)	-6,788	-11,156	32,954	50,879	36,735	44,073	-15,650
Current Liquidity (%)	179.3	187.4	184.5	192.7	179.1	184.8	167.7

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Ceded Reinsurance Analysis</b>					
<b>Cambridge Mutual Fire Insurance Company</b>					
Business Retention (%)	100.0	100.0	100.0	100.0	100.0
<b>Personal Property Composite</b>					
Business Retention (%)	50.6	50.7	52.2	53.5	53.7
Reinsurance Recoverables to PHS (%)	31.7	20.5	20.5	18.1	19.9
Ceded Reinsurance to PHS (%)	58.9	46.3	45.3	40.2	41.2

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
<b>2022 Reinsurance Recoverables USD (000)</b>					
US Affiliates	80,161	14,568	92,175	4,113	191,017
<b>Grand Total</b>	<b>80,161</b>	<b>14,568</b>	<b>92,175</b>	<b>4,113</b>	<b>191,017</b>

Source: BestLink® - Best's Financial Suite

**Asset Liability Management | Investments**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Composition of Cash and Invested Assets</b>							
Total Cash and Invested Assets USD (000)	1,110,899	1,145,927	1,129,387	1,146,309	945,760	940,645	810,873
<b>Composition Percentages (%)</b>							
Unaffiliated:							
Cash and Short Term Investments	9.1	10.5	9.9	15.0	9.2	6.8	15.9
Bonds	17.7	15.9	17.1	10.0	19.8	22.2	8.0
Stocks	70.5	70.6	70.2	71.9	67.5	67.5	72.2
<b>Total Unaffiliated</b>	<b>97.3</b>	<b>97.0</b>	<b>97.2</b>	<b>97.0</b>	<b>96.4</b>	<b>96.5</b>	<b>96.2</b>
Investments in Affiliates	2.7	3.0	2.8	3.0	3.6	3.5	3.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Asset Liability Management | Investments (Continued...)**

<b>Bonds and Short Term Investments</b>	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
<b>Distribution by Maturity (%)</b>						
Government Bonds	14.9	15.1	2.9	...	...	2.3
Government Agencies and Municipal Bonds	1.5	8.8	9.7	6.2	1.7	8.5
Industrial and Miscellaneous Bonds	6.8	26.0	5.7	0.6	0.2	3.5
<b>Total Bonds</b>	<b>23.2</b>	<b>49.8</b>	<b>18.3</b>	<b>6.8</b>	<b>1.9</b>	<b>4.5</b>

Source: BestLink® - Best's Financial Suite

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Bond Portfolio**

Bonds & Short Term Investments USD(000)	196,416	182,106	193,618	114,661	186,921	208,397	65,039
<b>By Issuer (%)</b>							
Unaffiliated Bonds:							
US Government	...	...	32.9	73.5	67.6	61.3	10.0
Foreign - All other	...	...	6.2	...	...	...	...
State, Municipal & Special Revenue	...	...	27.8	15.8	9.8	18.4	59.2
Industrial and Misc, Hybrid and SVO Identified	...	...	33.1	10.7	22.6	20.3	30.8
<b>Bonds and Short Term Investments By Private vs Public (%)</b>							
Private issues	...	...	8.3	...	...	...	...
Public issues	...	...	91.7	100.0	100.0	100.0	100.0
<b>Bonds and Short Term Investments By Quality (%)</b>							
Class 1	88.1	90.8	88.0	99.1	97.3	100.0	100.0
Class 2	11.7	9.2	11.9	0.9	2.7	...	...
Class 3	0.1	...	0.1	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.1	...	0.1	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Stock Portfolio**

Stocks USD(000)	783,329	808,747	792,274	824,599	638,393	634,959	585,570
<b>By Type (%)</b>							
Unaffiliated Common	...	...	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

**Reserve Adequacy**

**Loss and Loss Adjustment Expense Reserve Development**

	3-Months 2023	2022	2022	Year End - December 31		2019	2018
				2021	2020		

**Calendar Year:**

Loss and ALAE* Reserves USD (000)	223,968	192,590	197,933	182,866	151,497	130,979	131,671
Loss and ALAE* Reserves Development USD (000)	3,620	-2,885	...	3,080	-595	-21,264	-11,708
Development to:							
Original Reserves (%)	...	...	...	1.7	-0.4	-14.0	-8.2
Prior Year End Reserves(%)	1.7	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	0.5	-0.4	...	0.4	-0.1	-3.3	-2.2

Source: BestLink® - Best's Financial Suite



**Balance Sheet Highlights**

**Reserve Adequacy (Continued...)**

**Loss and Loss Adjustment Expense Reserve Development (Continued...)**

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Accident Year:</b>					
Original Loss and ALAE Reserves USD (000)	88,665	88,001	63,741	73,739	78,995
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	88,665	89,734	74,973	63,376	72,615
Development to Original Reserves (%)	...	2.0	17.6	-14.1	-8.1
Accident Year Loss and LAE Ratio (%)	66.7	68.5	62.9	56.9	69.8
Accident Year Combined Ratio (%)	105.5	108.9	103.9	98.8	105.9

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

Operating and Financial Performance Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Cambridge Mutual Fire Insurance Company</b>								
Calendar Year Loss and LAE Ratio	102.3	70.0	67.3	67.0	53.9	62.2	67.9	63.7
Expense and Policyholder Dividend Ratio	45.3	42.3	38.9	40.4	41.0	41.8	36.0	39.6
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.9	2.2	2.7	2.4	2.5	2.8	2.9	2.7
Pre-Tax Operating Return on Net Earned Premiums	-32.0	-0.9	3.4	1.3	14.4	6.9	5.4	6.1
Net Income Return on Policyholders' Surplus	-8.4	-0.2	0.4	0.2	1.6	1.2	-0.7	0.6
Total Return on Policyholders' Surplus	-12.2	-6.7	-4.5	17.8	1.9	16.3	-4.1	5.4

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Personal Property Composite</b>								
Calendar Year Loss and LAE Ratio	75.5	63.4	79.1	74.7	80.5	66.9	70.4	74.6
Expense and Policyholder Dividend Ratio	25.4	26.6	26.4	28.3	29.3	29.7	30.5	28.7
Combined Ratio	100.9	90.0	105.5	103.0	109.8	96.5	100.9	103.3
Reserve Development Ratio Impact	-5.5	-5.5	-0.1	0.4	-1.9	-1.2	-2.0	-0.9
Net Investment Yield	2.5	2.0	2.2	2.1	2.4	2.5	2.4	2.3
Pre-Tax Operating Return on Net Earned Premiums	3.3	13.5	-1.5	1.2	-4.1	10.0	5.7	2.0
Net Income Return on Policyholders' Surplus	2.4	7.6	-1.4	1.2	-1.3	5.6	3.5	1.4
Total Return on Policyholders' Surplus	2.0	5.0	-4.2	5.4	0.1	8.8	1.4	2.2

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>By Line - Net Loss Ratio (%)</b>					
Homeowners	59.6	55.3	52.6	52.9	58.7
Rein-NPA Prop	70.4	95.1	49.4	89.8	106.1
Comm M.P.	63.1	50.0	37.0	38.1	37.2
Fire	47.1	42.0	35.3	37.4	38.1
Other Liab	43.6	34.1	26.7	14.1	22.2
Allied Lines	56.4	59.3	70.8	58.2	78.7
Inland Marine	23.6	20.0	16.9	23.8	20.0
Auto Phys Dmg	63.0	51.6	40.0	51.9	54.4
PP Auto Liab	60.7	48.6	37.2	56.6	60.8
All Other	...	200.0	...	...	...
Total	59.6	59.6	47.4	55.3	61.7

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Geographic - Direct Loss Ratio (%)</b>					
Massachusetts	32.0	36.5	46.8	21.9	-3.0
Illinois	83.2	46.4	51.4	52.8	28.3
New York	67.8	33.9	40.7	51.8	39.6
New Jersey	55.3	66.0	56.6	57.3	73.2
New Hampshire	47.7	66.2	38.3	33.3	46.8
Maine	65.5	41.1	30.1	40.1	44.3
Connecticut	22.8	40.6	31.1	26.4	49.7
Rhode Island	65.1	51.4	55.6	67.3	70.0
Total	57.1	46.2	44.0	45.6	44.2

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

	3-Months		Year End - December 31					2018 5 Year CAGR
	2023	2022	2022	2021	2020	2019		
<b>Premium Composition and Growth</b>								
Direct Premiums Written USD (000)	39,301	35,884	176,548	161,731	143,446	128,936	115,790	...
% Change	9.5	6.5	9.2	12.7	11.3	11.4	...	8.8
Reinsurance Premiums Assumed USD (000)*	60,958	59,754	100,501	101,078	97,108	100,828	108,047	...
% Change	2.0	-4.9	-0.6	4.1	-3.7	-6.7	33.1	4.4
Reinsurance Premiums Ceded USD (000)*	39,301	35,884	...	...	...	...	...	...
% Change	9.5	6.5	...	...	...	...	...	...
Net Premiums Written USD (000)	60,958	59,754	277,050	262,809	240,553	229,764	223,837	...
% Change	2.0	-4.9	5.4	9.3	4.7	2.6	13.6	7.1

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

**Business Profile Highlights**

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Homeowners	102,632	58.1	26,975	26.8	...	...	129,607	46.8	100.0
Comm M.P.	39,067	22.1	9,937	9.9	...	...	49,004	17.7	100.0
Fire	11,645	6.6	8,686	8.6	...	...	20,330	7.3	100.0
Allied Lines	10,035	5.7	4,755	4.7	...	...	14,790	5.3	100.0
Other Liab Occurrence	9,931	5.6	4,795	4.8	...	...	14,726	5.3	100.0
Top 5	173,309	98.2	55,148	54.9	...	...	228,457	82.5	100.0
All Other	3,239	1.8	45,354	45.1	...	...	48,593	17.5	100.0
Total	176,548	100.0	100,501	100.0	...	100.0	277,050	100.0	100.0

Source: BestLink® - Best's Financial Suite

**Historical Market Presence**

	Year End - December 31				
	2022	2021	2020	2019	2018

**By Line Breakdown - NPW USD (000)**

	2022	2021	2020	2019	2018
Homeowners	129,607	118,546	108,487	105,624	102,106
Comm M.P.	49,004	42,920	32,645	27,896	25,043
Rein-NPA Prop	43,344	48,594	49,021	47,250	49,235
Fire	20,330	19,410	17,929	17,505	16,978
Allied Lines	14,790	13,759	13,212	12,805	12,293
Other Liab	14,726	14,320	14,055	13,722	13,201
Inland Marine	3,979	3,990	3,904	3,739	3,745
Auto Phys Dmg	652	646	647	607	608
PP Auto Liab	618	623	655	618	628
Total	277,050	262,809	240,553	229,764	223,837

Source: BestLink® - Best's Financial Suite

**By Geographic Breakdown - DPW USD (000)**

	2022	2021	2020	2019	2018
Massachusetts	34,990	28,702	22,498	14,570	5,805
Illinois	34,560	31,098	23,311	20,080	18,995
New York	32,987	31,207	30,462	30,568	30,861
New Jersey	23,761	21,045	19,420	18,328	17,256
New Hampshire	20,911	17,927	15,292	13,483	12,418
Maine	17,306	16,200	15,261	14,308	13,456
Connecticut	10,481	10,521	10,632	11,201	11,094
Rhode Island	1,553	5,032	6,570	6,398	5,905
Total	176,548	161,731	143,446	128,936	115,790

Geographic Concentration Index	0.16	...	...	...	...
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Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

**Historical Market Presence (Continued...)**

	Year End - December 31		2020
	2022	2021	
<b>By Line Reserves USD (000)</b>			
Rein-NPA Prop	88,208	88,814	72,440
Homeowners	52,264	44,887	41,521
Comm M.P.	33,194	23,509	16,503
Other Liab	21,846	20,253	18,253
Fire	6,880	6,279	5,395
Allied Lines	3,678	3,296	4,314
PP Auto Liab	547	488	417
Inland Marine	385	293	278
Auto Phys Dmg	30	40	28
<b>Total</b>	<b>207,031</b>	<b>187,860</b>	<b>159,151</b>

Source: BestLink® - Best's Financial Suite

## Merrimack Mutual Fire Insurance Company

**Last Update**

July 28, 2023

**Identifiers**

**AMB #:** 002055

**NAIC #:** 19798

**FEIN #:** 04-1614490

**LEI #:** 254900XHP4C2KRA65811

**Contact Information**

Domiciliary Address:

95 Old River Road, Andover,  
Massachusetts 01810  
United States

**Web:** [www.andovercompanies.com](http://www.andovercompanies.com)

**Phone:** +1-978-475-3300

**Fax:** +1-800-323-5112

**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

### Operations

**Date Incorporated:** February 11, 1828 | **Date Commenced:** April 08, 1828

**Domiciled:** Massachusetts, United States

**Licensed:** (Current since 05/30/2019). The company is licensed in CT, IL, ME, MA, NH, NJ, NY, RI and VT.

**Business Type:** Property/Casualty

**Organization Type:** Mutual

**Marketing Type:** Independent Agency

**Financial Size:** XV (Greater than or Equal to USD 2.00 Billion)

## Best's Credit Ratings

### Rating Relationship

**AM Best Rating Unit:** [000166 - Andover Companies Pool](#)

Merrimack Mutual Fire Insurance Company is a member of Andover Companies Pool (AMB# 000166) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 000166 - Andover Companies Pool](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

### Best's Credit Rating History

AM Best has assigned ratings on this company since 1920. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
<b>Current -</b>							
<b>Jul 19, 2023</b>	<b>A</b>	<b>p (Pooled Rating)</b>	<b>Stable</b>	<b>Affirmed</b>	<b>a+</b>	<b>Stable</b>	<b>Affirmed</b>
Jun 27, 2022	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
Jun 10, 2021	A	p (Pooled Rating)	Stable	Affirmed	a+	Stable	Affirmed
May 14, 2020	A	p (Pooled Rating)	Stable	Downgraded	a+	Negative	Downgraded
Apr 30, 2019	A+	p (Pooled Rating)	Negative	Affirmed	aa-	Negative	Affirmed

## Corporate Structure

**Ultimate Parent:** AMB # 000166 - Andover Companies Pool

Based on AM Best's analysis, AMB# 000166 Andover Companies Pool is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

## Management

This company is the lead company of the Andover Group. Under the same management are the Bay State Insurance Company (organized in 1955) and the Cambridge Mutual Fire Insurance Company, Andover, Massachusetts (established in 1833).

### Officers

**President and CEO:** Charles J. DiGrande

**EVP:** Paul R. Nadeau (Underwriting)

**SVP:** Stephen E. Randall (Claims)

**Vice President, Secretary and General Counsel:** Kevin J. Ouellette

**Vice President and Treasurer:** Amy L. DiPerna

**Vice President:** Justin H. Libbey (Marketing)

**Vice President:** Kevin A. McNamara (Information Technology)

### Directors

John Appleton

Malcolm W. Brawn

David F. Dietz

Charles J. DiGrande

Thomas J. Hollister

Paul J. Jacques

Amy A. Latimer

Thomas J. Ridge

David A. Splaine

John A. Swift

## History

This company, incorporated on February 11, 1828 under the laws of Massachusetts, commenced business on April 8 of the same year. The Bay State Mutual Fire Insurance Company and the Lynn Manufacturers and Merchants Insurance Company were absorbed in May 1932 and in September 1933, respectively.

## Regulatory

**Auditor:** PricewaterhouseCoopers, LLP

**Actuary:** Maryellen Coggins, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2019, by the insurance department of Massachusetts. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Maryellen Coggins, FCAS, MAAA, PricewaterhouseCoopers, LLP.

**Financial Statements**

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

**Currency:** US Dollars

	3-Months		Year End - December 31			
	2023		2022		2021	
<b>Balance Sheet</b>	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	119,584	5.3	136,984	6.0	222,035	9.6
Bonds	243,415	10.9	241,974	10.5	142,185	6.1
Preferred and Common Stock	1,399,782	62.4	1,439,147	62.7	1,529,015	65.9
Other Invested Assets	165,408	7.4	167,654	7.3	128,260	5.5
<b>Total Cash and Invested Assets</b>	<b>1,928,188</b>	<b>86.0</b>	<b>1,985,760</b>	<b>86.5</b>	<b>2,021,496</b>	<b>87.2</b>
Premium Balances	250,571	11.2	257,995	11.2	237,027	10.2
Other Assets	64,237	2.9	52,750	2.3	60,054	2.6
<b>Total Assets</b>	<b>2,242,996</b>	<b>100.0</b>	<b>2,296,505</b>	<b>100.0</b>	<b>2,318,577</b>	<b>100.0</b>
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	238,917	10.7	177,800	7.7	149,181	6.4
Net IBNR Loss Reserves*	81,037	3.6	89,293	3.9	95,311	4.1
Net LAE Reserves	...	...	28,666	1.2	23,878	1.0
<b>Total Net Loss and LAE Reserves</b>	<b>319,954</b>	<b>14.3</b>	<b>295,759</b>	<b>12.9</b>	<b>268,371</b>	<b>11.6</b>
Net Unearned Premiums	194,556	8.7	199,015	8.7	183,872	7.9
Other Liabilities	357,087	15.9	371,095	16.2	374,477	16.2
<b>Total Liabilities</b>	<b>871,597</b>	<b>38.9</b>	<b>865,869</b>	<b>37.7</b>	<b>826,720</b>	<b>35.7</b>
Unassigned Surplus	1,370,898	61.1	1,430,136	62.3	1,491,357	64.3
Other Surplus	500	...	500	...	500	...
<b>Total Policyholders' Surplus</b>	<b>1,371,398</b>	<b>61.1</b>	<b>1,430,636</b>	<b>62.3</b>	<b>1,491,857</b>	<b>64.3</b>
<b>Total Liabilities and Surplus</b>	<b>2,242,996</b>	<b>100.0</b>	<b>2,296,505</b>	<b>100.0</b>	<b>2,318,577</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

\* Interim reserves balances include LAE.

	3-Months		Year End - December 31	
	2023	2022	2022	2021
<b>Income Statement USD (000)</b>				
Net Premiums Earned	91,542	90,243	380,642	358,215
Net Losses and LAE Incurred:				
Current Accident Year	88,473	67,301	253,798	244,678
Prior Accident Years	5,172	-4,122	2,489	-4,749
Underwriting Expenses Incurred	39,492	36,117	153,789	151,653
<b>Net Underwriting Income</b>	<b>-41,594</b>	<b>-9,053</b>	<b>-29,433</b>	<b>-33,366</b>
Net Investment Income	10,534	7,907	37,717	29,817
Other Income (Expense)	709	-589	-1,207	1,723
<b>Pre-Tax Operating Income</b>	<b>-30,351</b>	<b>-1,734</b>	<b>7,077</b>	<b>-1,826</b>
Income Taxes Incurred	-7,240	-528	627	694
<b>Net Operating Income</b>	<b>-23,111</b>	<b>-1,206</b>	<b>6,450</b>	<b>-2,520</b>
Net Realized Capital Gains (Losses)	-12	-10	-3,623	-8,126
<b>Net Income</b>	<b>-23,123</b>	<b>-1,216</b>	<b>2,827</b>	<b>-10,646</b>

Source: BestLink® - Best's Financial Suite

**Statement of Operating Cash Flows USD (000)**

	2023	2022	2022	2021
Net Premiums Collected	91,246	105,329	389,262	363,790
Net Losses Paid	64,057	50,817	192,852	177,060
Expenses Paid	54,421	47,394	169,542	168,924
Net Underwriting Cash Flow	-27,232	7,118	26,868	17,806
Net Investment Income	10,875	7,884	37,485	32,064
Other Income (Expense)	710	-589	-388	2,044
Income Taxes Paid (Recovered)	...	...	-5,210	1,525
Net Operating Cash Flow	-15,648	14,413	69,174	50,389

Source: BestLink® - Best's Financial Suite

**Financial Results**

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – P/C, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

**Currency:** US Dollars

**Key Financial Indicators**

	3-Months		Year End - December 31				
<b>Key Financial Indicators USD (000)</b>	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	98,481	86,529	430,946	391,486	374,133	366,566	358,055
Assumed*	94,629	101,046	128,735	143,694	146,792	141,380	147,669
Ceded*	106,027	102,212	163,896	159,739	177,278	179,712	185,957
Net	87,083	85,363	395,785	375,441	343,648	328,234	319,767
Net Operating Income	-23,111	-1,206	6,450	-2,520	35,097	10,309	15,075
Net Income	-23,123	-1,216	2,827	-10,646	29,698	48,031	-1,572
Total Admitted Assets	2,242,996	2,308,985	2,296,505	2,318,577	1,926,289	1,862,380	1,658,182
Policyholders' Surplus	1,371,398	1,461,450	1,430,636	1,491,857	1,197,877	1,158,604	978,833

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

	3-Months		Year End - December 31					Weighted Average
<b>Key Financial Ratios (%)</b>	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Combined Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.1	1.6	1.9	1.6	1.7	2.0	2.2	1.9
Pre-Tax Operating Return on Net Earned Premiums	-33.2	-1.9	1.9	-0.5	12.5	5.2	4.0	4.5
Net Income Return on Policyholders' Surplus	-6.6	-0.3	0.2	-0.8	2.5	4.5	-0.2	1.1
Total Return on Policyholders' Surplus	-16.6	-7.3	-5.6	19.9	4.8	16.5	-9.5	5.3
Leverage:								
Net	0.9	0.8	0.9	0.8	0.9	0.9	1.0	...
Gross	...	...	1.0	0.9	1.0	1.0	1.1	...
Non-affiliated Investment	71.2	70.1	69.9	68.8	63.1	64.0	77.3	...

Source: BestLink® - Best's Financial Suite



**Balance Sheet Highlights**

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Capital Generation Analysis USD (000)</b>							
Beginning Policyholders' Surplus	1,430,636	1,491,857	1,491,857	1,197,877	1,158,604	978,833	1,100,639
Net Operating Income	-23,111	-1,206	6,450	-2,520	35,097	10,309	15,075
Net Realized Capital Gains (Losses)	-12	-10	-3,623	-8,126	-5,398	37,722	-16,646
Net Unrealized Capital Gains (Losses)	-34,926	-25,595	-84,028	278,457	27,264	128,475	-96,974
Other Changes in Capital and Surplus	-1,188	-3,596	19,980	26,168	-17,689	3,265	-23,260
Net Change in Policyholders' Surplus	-59,238	-30,407	-61,221	293,979	39,273	179,771	-121,806
<b>Ending Policyholders' Surplus</b>	<b>1,371,398</b>	<b>1,461,450</b>	<b>1,430,636</b>	<b>1,491,857</b>	<b>1,197,877</b>	<b>1,158,604</b>	<b>978,833</b>
Net Change in Policyholders' Surplus (%)	-4.1	-2.0	-4.1	24.5	3.4	18.4	-11.1
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	5.4	...	...	...	...

Source: BestLink® - Best's Financial Suite

	3-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
<b>Liquidity Analysis</b>							
Net Operating Cash Flow USD (000)	-15,648	14,413	69,174	50,389	30,296	-6,705	51,307
Current Liquidity (%)	144.1	160.3	149.7	163.2	155.3	158.5	142.7

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>Ceded Reinsurance Analysis</b>					
<b>Merrimack Mutual Fire Insurance Company</b>					
Ceded Reinsurance USD (000)	100,046	72,613	102,022	105,716	82,543
Business Retention (%)	70.7	70.2	66.0	64.6	63.2
Reinsurance Recoverables to PHS (%)	1.9	1.1	2.1	3.0	1.9
Ceded Reinsurance to PHS (%)	7.0	4.9	8.5	9.1	8.4
<b>Personal Property Composite</b>					
Business Retention (%)	50.6	50.7	52.2	53.5	53.7
Reinsurance Recoverables to PHS (%)	31.7	20.5	20.5	18.1	19.9
Ceded Reinsurance to PHS (%)	58.9	46.3	45.3	40.2	41.2

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
<b>2022 Reinsurance Recoverables USD (000)</b>					
US Affiliates	223,644	104,595	199,015	7,398	534,653
US Insurers	8,318	...	8,547	899	17,764
Pools/Associations	...	...	1	...	1
Other Non-US	8,953	...	67	...	9,020
Total (excluding US Affiliates)	17,271	...	8,615	899	26,785
<b>Grand Total</b>	<b>240,916</b>	<b>104,595</b>	<b>207,630</b>	<b>8,297</b>	<b>561,437</b>

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Asset Liability Management | Investments**

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Composition of Cash and Invested Assets</b>							
Total Cash and Invested Assets USD (000)	1,928,188	2,011,506	1,985,760	2,021,496	1,647,128	1,600,073	1,378,167
<b>Composition Percentages (%)</b>							
<b>Unaffiliated:</b>							
Cash and Short Term Investments	6.2	6.6	6.9	11.0	8.3	6.7	8.6
Bonds	12.6	11.9	12.2	7.0	14.4	16.6	6.8
Stocks	46.1	48.9	46.0	48.6	45.8	46.2	54.8
Other Invested Assets	4.5	2.0	4.4	2.1	0.1	0.1	0.2
<b>Total Unaffiliated</b>	<b>69.5</b>	<b>69.4</b>	<b>69.5</b>	<b>68.8</b>	<b>68.7</b>	<b>69.7</b>	<b>70.3</b>
Investments in Affiliates	30.6	30.6	30.6	31.2	31.3	30.3	29.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

<b>Bonds and Short Term Investments</b>	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
<b>Distribution by Maturity (%)</b>						
Government Bonds	15.9	14.5	3.3	...	...	2.3
Government Agencies and Municipal Bonds	3.7	7.0	8.9	5.6	1.4	7.9
Industrial and Miscellaneous Bonds	8.2	24.8	5.8	0.8	0.2	3.5
<b>Total Bonds</b>	<b>27.7</b>	<b>46.3</b>	<b>18.0</b>	<b>6.4</b>	<b>1.6</b>	<b>4.2</b>

Source: BestLink® - Best's Financial Suite

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Bond Portfolio</b>							
Bonds & Short Term Investments USD(000)	243,415	239,290	241,974	142,185	237,400	265,069	93,274
<b>By Issuer (%)</b>							
<b>Unaffiliated Bonds:</b>							
US Government	...	...	33.7	78.7	68.2	65.8	20.0
Foreign - All other	...	...	6.6	...	...	...	...
State, Municipal & Special Revenue	...	...	26.6	12.7	7.7	12.6	69.3
Industrial and Misc, Hybrid and SVO Identified	...	...	33.2	8.6	24.1	21.6	10.7
<b>Bonds and Short Term Investments By Private vs Public (%)</b>							
Private issues	...	...	8.7	...	...	...	...
Public issues	...	...	91.3	100.0	100.0	100.0	100.0
<b>Bonds and Short Term Investments By Quality (%)</b>							
Class 1	88.4	90.3	88.5	99.3	87.4	100.0	100.0
Class 2	11.4	9.7	11.4	0.7	12.6	...	...
Class 3	0.2	...	0.2	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.2	...	0.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

**Balance Sheet Highlights**

**Asset Liability Management | Investments (Continued...)**

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Stock Portfolio</b>							
Stocks USD(000)	1,399,782	1,515,206	1,439,147	1,529,015	1,186,221	1,140,981	1,083,545
<b>By Type (%)</b>							
Unaffiliated Common	...	...	63.5	64.3	63.6	64.8	69.6
Affiliated Common	...	...	36.5	35.7	36.4	35.2	30.4

Source: BestLink® - Best's Financial Suite

**Reserve Adequacy**

**Loss and Loss Adjustment Expense Reserve Development**

	3-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
<b>Calendar Year:</b>							
Loss and ALAE* Reserves USD (000)	319,954	275,129	282,763	261,239	216,426	187,110	188,103
Loss and ALAE* Reserves Development USD (000)	5,172	-4,122	...	4,400	-849	-30,374	-16,726
Development to:							
Original Reserves (%)	...	...	...	1.7	-0.4	-14.0	-8.2
Prior Year End Reserves(%)	1.7	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	0.4	-0.3	...	0.3	-0.1	-2.6	-1.7

Source: BestLink® - Best's Financial Suite

	2022	2021	2020	2019	2018
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**Accident Year:**

Original Loss and ALAE Reserves USD (000)	126,664	125,715	91,058	105,342	112,850
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	126,664	128,191	107,104	90,537	103,736
Development to Original Reserves (%)	...	2.0	17.6	-14.1	-8.1
Accident Year Loss and LAE Ratio (%)	66.7	68.5	62.9	56.9	69.8
Accident Year Combined Ratio (%)	105.5	108.9	103.9	98.8	105.9

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

	3-Months		2022	Year End - December 31				Weighted Average
	2023	2022		2021	2020	2019	2018	
<b>Operating and Financial Performance Ratios (%)</b>								
<b>Merrimack Mutual Fire Insurance Company</b>								
Calendar Year Loss and LAE Ratio	102.3	70.0	67.3	67.0	53.9	62.2	67.9	63.7
Expense and Policyholder Dividend Ratio	45.3	42.3	38.9	40.4	41.0	41.8	36.0	39.6
Combined Ratio	147.6	112.3	106.2	107.4	94.9	104.0	104.0	103.4
Reserve Development Ratio Impact	5.6	-4.6	0.7	-1.3	-4.7	...	-5.6	-2.1
Net Investment Yield	2.1	1.6	1.9	1.6	1.7	2.0	2.2	1.9
Pre-Tax Operating Return on Net Earned Premiums	-33.2	-1.9	1.9	-0.5	12.5	5.2	4.0	4.5
Net Income Return on Policyholders' Surplus	-6.6	-0.3	0.2	-0.8	2.5	4.5	-0.2	1.1
Total Return on Policyholders' Surplus	-16.6	-7.3	-5.6	19.9	4.8	16.5	-9.5	5.3

Source: BestLink® - Best's Financial Suite

**Operating Performance Highlights**

Operating and Financial Performance Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
<b>Personal Property Composite</b>								
Calendar Year Loss and LAE Ratio	75.5	63.4	79.1	74.7	80.5	66.9	70.4	74.6
Expense and Policyholder Dividend Ratio	25.4	26.6	26.4	28.3	29.3	29.7	30.5	28.7
Combined Ratio	100.9	90.0	105.5	103.0	109.8	96.5	100.9	103.3
Reserve Development Ratio Impact	-5.5	-5.5	-0.1	0.4	-1.9	-1.2	-2.0	-0.9
Net Investment Yield	2.5	2.0	2.2	2.1	2.4	2.5	2.4	2.3
Pre-Tax Operating Return on Net Earned Premiums	3.3	13.5	-1.5	1.2	-4.1	10.0	5.7	2.0
Net Income Return on Policyholders' Surplus	2.4	7.6	-1.4	1.2	-1.3	5.6	3.5	1.4
Total Return on Policyholders' Surplus	2.0	5.0	-4.2	5.4	0.1	8.8	1.4	2.2

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
Homeowners	59.6	55.3	52.6	52.9	58.7
Rein-NPA Prop	70.4	95.1	49.4	89.8	106.1
Comm M.P.	63.1	50.0	37.0	38.1	37.2
Fire	47.1	42.0	35.3	37.4	38.1
Other Liab	43.6	34.1	26.7	14.1	22.2
Allied Lines	56.4	59.3	70.8	58.2	78.7
Inland Marine	23.6	20.0	16.9	23.8	20.0
Auto Phys Dmg	63.0	51.6	40.0	51.9	54.4
PP Auto Liab	60.7	48.6	37.2	56.6	60.8
All Other	100.0	...	...	...	...
Total	59.6	59.6	47.4	55.3	61.7

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
Massachusetts	43.4	38.2	37.5	42.0	40.6
New York	55.3	54.5	39.7	38.4	39.9
Rhode Island	65.3	46.2	64.4	53.9	61.8
Connecticut	61.1	54.8	48.6	43.6	77.1
New Jersey	38.5	52.1	41.9	31.8	48.3
Maine	66.2	33.2	60.4	45.7	53.3
New Hampshire	56.5	31.7	19.8	22.7	59.5
Illinois	26.4	36.2	32.1	43.9	42.9
Total	50.6	45.7	42.0	40.9	47.6

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

	3-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	98,481	86,529	430,946	391,486	374,133	366,566	358,055	...
% Change	13.8	7.8	10.1	4.6	2.1	2.4	3.8	4.5
Reinsurance Premiums Assumed USD (000)*	94,629	101,046	128,735	143,694	146,792	141,380	147,669	...
% Change	-6.4	-3.1	-10.4	-2.1	3.8	-4.3	70.2	8.2
Reinsurance Premiums Ceded USD (000)*	106,027	102,212	163,896	159,739	177,278	179,712	185,957	...
% Change	3.7	7.9	2.6	-9.9	-1.4	-3.4	23.6	1.7
Net Premiums Written USD (000)	87,083	85,363	395,785	375,441	343,648	328,234	319,767	...
% Change	2.0	-4.9	5.4	9.3	4.7	2.6	13.6	7.1

Source: BestLink® - Best's Financial Suite

\*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Homeowners	214,002	49.7	19,032	14.8	47,880	29.2	185,154	46.8	79.5
Comm M.P.	96,314	22.3	...	...	26,309	16.1	70,004	17.7	72.7
Fire	49,546	11.5	1,267	1.0	21,769	13.3	29,043	7.3	57.2
Allied Lines	36,706	8.5	...	...	15,578	9.5	21,129	5.3	57.6
Other Liab Occurrence	27,874	6.5	...	...	6,837	4.2	21,037	5.3	75.5
Top 5	424,441	98.5	20,299	15.8	118,373	72.2	326,367	82.5	73.4
All Other	6,505	1.5	108,437	84.2	45,524	27.8	69,418	17.5	60.4
Total	430,946	100.0	128,735	100.0	163,896	100.0	395,785	100.0	70.7

Source: BestLink® - Best's Financial Suite

**Historical Market Presence**

	Year End - December 31				
	2022	2021	2020	2019	2018
<b>By Line Breakdown - NPW USD (000)</b>					
Homeowners	185,154	169,352	154,981	150,891	145,866
Comm M.P.	70,004	61,314	46,635	39,852	35,775
Rein-NPA Prop	61,920	69,420	70,030	67,500	70,336
Fire	29,043	27,729	25,612	25,007	24,255
Allied Lines	21,129	19,656	18,874	18,292	17,562
Other Liab	21,037	20,457	20,079	19,602	18,859
Inland Marine	5,684	5,700	5,577	5,341	5,349
Auto Phys Dmg	931	922	924	867	868
PP Auto Liab	883	890	936	882	897
Total	395,785	375,441	343,648	328,234	319,767

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights**

**Historical Market Presence (Continued...)**

**By Geographic Breakdown - DPW  
USD (000)**

	2022	2021	2020	2019	2018
Massachusetts	152,008	146,433	148,503	152,889	158,534
New York	111,423	95,957	85,593	77,597	69,331
Rhode Island	46,521	36,967	32,067	28,601	25,172
Connecticut	46,181	42,382	40,285	40,426	39,080
New Jersey	43,156	40,216	39,930	39,883	39,442
Maine	14,297	12,668	10,919	9,742	9,411
New Hampshire	9,030	8,735	8,728	8,997	8,570
Illinois	8,329	8,128	8,107	8,430	8,513
Total	430,946	391,486	374,133	366,566	358,055
<b>Geographic Concentration Index</b>	0.23	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31		
	2022	2021	2020

**By Line Reserves USD (000)**

	2022	2021	2020
Rein-NPA Prop	126,012	126,877	103,486
Homeowners	74,663	64,125	59,316
Comm M.P.	47,420	33,584	23,575
Other Liab	31,208	28,932	26,076
Fire	9,828	8,970	7,708
Allied Lines	5,254	4,708	6,163
PP Auto Liab	781	698	596
Inland Marine	549	419	397
Auto Phys Dmg	43	58	40
Total	295,759	268,371	227,358

Source: BestLink® - Best's Financial Suite

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