



State of Vermont
Department of Financial Regulation
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May 28, 2024

SENT VIA EMAIL TO: mdcoble@mette.com, msears@NDgroup.com

Matthew D Coble, Esquire
Mette, Evans & Woodside

Michele C. Sears, Esquire
Norfolk & Dedham Group

Re: Proposed Affiliation of Union Mutual Fire Insurance Company and New England Guaranty Insurance Company by Dorchester Mutual Insurance Company, Fitchburg Mutual Insurance Company, and Norfolk & Dedham Mutual Fire Insurance Company (Norfolk & Dedham Group)

Dear Attorneys Coble and Sears:

The Insurance Division of the Vermont Department of Financial Regulation (“DFR”) has completed a preliminary review of the Form A Statement regarding the proposed Affiliation of Union Mutual Fire Insurance Company and New England Guaranty Insurance Company (the “Domestic Insurers” or “Union”) by the Norfolk & Dedham Group (the “Applicant”) dated April 23, 2024. Based on continued review of the documents and the completion of the Board of Director interviewed conducted since the first request for additional information dated May 13, 2024, we have additional inquiries as follows.

1. The Master Affiliation Agreement references schedules. We are not locating the schedules in the filing received on April 23rd. Please provide or point us to the previously filed documents.
2. The Master Affiliation Agreement Sections 4.11 and 5.11 includes information on Material Contracts. Please explain how the amount of \$500,000 was determined to be material and provide a list of the Material Contracts.
3. In the request letter dated May 13, 2024, question #18, we requested an explanation and rationale for paying Resigning Union Mutual and New England Guaranty Directors for 3 years. To expand on this question, please provide a schedule of the amounts to be paid and the rationale of the 3-year period and how that was determined to be fair or an acceptable business practice during this type of transaction.



4. In the request letter dated May 13, 2024, question #21, we requested an overview of the due diligence steps taken by Union to ensure the Applicants are in fact a good prospective business partner. We understand that a White Paper was prepared for the current Union Board members. Please provide the White Paper for review.

Please let me know if you have questions or need additional information.

Sincerely,



Karen Ducharme
Director of Company Licensing and Examinations

