

**FORM A
STATEMENT REGARDING THE
ACQUISITION OF CONTROL OF**

**UNION MUTUAL FIRE INSURANCE COMPANY,
a Vermont domestic mutual insurance company
NAIC No. 25860**

and

**NEW ENGLAND GUARANTY INSURANCE COMPANY, INC.,
a Vermont domestic stock insurance company
NAIC No. 25852
(Name of Domestic Insurers)**

by

**DORCHESTER MUTUAL INSURANCE COMPANY,
a Massachusetts domestic mutual insurance company
NAIC No. 13706**

and

**FITCHBURG MUTUAL INSURANCE COMPANY,
a Massachusetts domestic mutual insurance company
NAIC No. 13943**

and

**NORFOLK & DEDHAM MUTUAL FIRE INSURANCE COMPANY,
a Massachusetts domestic mutual insurance company
NAIC No. 23965**

(Name of Acquiring Persons (Applicants))

Filed with the Insurance Division of the
Vermont Department of Financial Regulation

Dated: April 23, 2024

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:

Michele C. Sears, Esquire
General Counsel & Corporate Secretary
THE N&D GROUP®
222 Ames Street
Dedham, MA 02026
800-688-1825 x1185
Email: msears@NDGroup.com

Matthew D. Coble, Esquire
METTE, EVANS & WOODSIDE, P.C.
3401 North Front Street
Suite 200
Harrisburg, PA 17110
717-232-5000
E-mail: mdcoble@mette.com

INTRODUCTION

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (this “Statement”) is submitted to the Insurance Division of the Vermont Department of Financial Regulation (the “Department”) by Dorchester Mutual Insurance Company, a Massachusetts domestic mutual property and casualty insurance company (“DM”), Fitchburg Mutual Insurance Company, a Massachusetts domestic mutual property and casualty insurance company (“FM”), and Norfolk & Dedham Mutual Fire Insurance Company, a Massachusetts domestic mutual property and casualty insurance company (“NDM”) (collectively, the “Applicants”), in connection with the proposed affiliation of the Applicants with Union Mutual Fire Insurance Company, a Vermont domestic mutual property and casualty insurance company (“UM”) and its wholly-owned subsidiary, New England Guaranty Insurance Company, Inc., a Vermont domestic stock property and casualty insurance company (“NEG”) (collectively, the “Domestic Insurers”). The proposed affiliation will occur pursuant to a Master Affiliation Agreement (the “Master Affiliation Agreement”) between the Applicants and UM dated April 5, 2024, as more particularly described below (“the Proposed Affiliation”).

At the outset, the Applicants note that this Application contains confidential and/or proprietary information that, if disclosed, would cause competitive harm to the Applicants. Accordingly, the Applicants respectfully request that Exhibits “A” and “H” (including all annexes and exhibits thereto) be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to Vt. Stat. Ann. tit. 1, § 317(c)(9).

In addition, the National Association of Insurance Commissioners (“NAIC”) biographical affidavits attached hereto as Exhibit “E” are being submitted to the Department in confidence and contain certain information that is not otherwise available to the public, are subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from any and all unwarranted invasions of personal privacy, pursuant to all applicable provisions of law, including but not limited to, Vt. Stat. Ann. tit. 1, § 317(c)(7).

The Applicants request that: (i) the materials described above be afforded confidential treatment; (ii) the Applicants be notified in advance of any proposed disclosure by the Department of such confidential information; and (iii) the Applicants be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) Domestic Insurers

The names and addresses of the Domestic Insurers to which this Statement relates are as follows:

UNION MUTUAL FIRE INSURANCE COMPANY

**139 State Street
Montpelier, VT 05602
NAIC Company Code 25860
NAIC Group Code 0195
FEIN 03-0163640**

NEW ENGLAND GUARANTY INSURANCE COMPANY, INC.

**139 State Street
Montpelier, VT 05602
NAIC Company Code 25852
NAIC Group Code 0195
FEIN 03-6010271**

In accordance with Vt. Stat. Ann. tit. 8, § 3683(a)(1), the Applicants will provide the Domestic Insurers with a copy of this Application promptly following the filing of this Application with the Department.

(b) Method of Acquisition

The Applicants' proposed acquisition of control of the Domestic Insurers will occur pursuant to a Master Affiliation Agreement, dated as of April 5, 2024, by and between UM and the Applicants. See generally Exhibit "A", which is a true and correct copy of the Master Affiliation Agreement.

The summary of the Affiliation contained in this Form "A" Statement is qualified in its entirety by reference to the Master Affiliation Agreement, pursuant to which UM and NEG will take such actions as may be necessary to accommodate the restructuring of each of the parties' respective Boards, including amendment of their respective Articles and Bylaws, as more particularly detailed in Sections 2 and 3 of the Master Affiliation Agreement. Ultimately, the Boards of DM, FM, NDM, UM and NEG will be identical, comprised of 12 directors each, 8 directors being associated with the Applicants, and 4 directors being associated with UM/NEG.¹

¹ The Master Affiliation Agreement also requires that, after Closing, at least 30% of the Directors of all affiliated companies (DM, FM, NDM, UM and NEG) will be UM policyholders, and further, that after Closing and for a period of five (5) years, if any of the directors designated by UM should resign or otherwise become unable to serve on any Board to which they have been appointed, then the remaining directors that were designated by UM in accordance with the Master Affiliation Agreement will nominate a successor to fill such a vacancy. In addition, and as set forth in Section 3.1(e) of the Master Affiliation Agreement, until his retirement in

Thus, as a result of the Proposed Affiliation, the Applicants, by virtue of the board compositions as reconstituted at and after Closing, will be deemed to acquire “control” of the Domestic Insurers (as such term is defined in Vt. Stat. Ann. tit. 8, § 3681(3)).

The parties desire to close the Affiliation as soon as practicable, subject to the making of required filings and notices with, and the receipt of required approvals from, governmental and regulatory authorities, and the satisfaction of other customary closing conditions as more fully set forth in the Master Affiliation Agreement.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

(a) Names and Addresses of Applicants.

The names and addresses of the Applicants seeking to acquire control of the Domestic Insurers are:

Dorchester Mutual Insurance Company
222 Ames Street
Dedham, MA 02026-1850
NAIC Company Code 13706
NAIC Group Code 0144
FEIN 04-1255040

Fitchburg Mutual Insurance Company
222 Ames Street
Dedham, MA 02026-1850
NAIC Company Code 13943
NAIC Group Code 0144
FEIN 04-1328790

Norfolk & Dedham Mutual Fire Insurance Company
222 Ames Street
Dedham, MA 02026-1850
NAIC Company Code 23965
NAIC Group Code 0144
FEIN 04-1675920

March of 2025, Glenn E. Niinimaki will remain a director of the DM, FM and NDM Boards, but will not join the UM or NEG Boards upon Closing. Therefore, until March of 2025, the DM, FM and NDM Boards will have nine (9) directors associated with the N&D Group and four (4) directors associated with UM/NEG, and the UM/NEG Boards will have eight (8) directors associated with N&D Group and four (4) directors associated with UM/NEG.

(b) Nature of Applicants' Business.

The N&D Group is rated A (Excellent) by A.M. Best and is comprised of three (3) mutual property and casualty insurance companies that are the Applicants, DM, FM and NDM, all of which share common Boards and executive officers. Through independent agents, the N&D Group sells private passenger automobile, homeowners, commercial automobile, commercial multi-peril, and workers' compensation policies, in Massachusetts, New Jersey and New Hampshire presently, with a predominant portion of the business in Massachusetts. As members of the N&D Group, DM, FM and NDM also share underwriting and claims operations, and own the Newbury Corporation ("Newbury"), which is wholly-owned subsidiary that provides management services to the N&D Group.

For the year ending December 31, 2023, DM, FM and NDM had admitted assets and statutory surplus of \$132,925,590 and \$66,906,285, \$186,859,647 and \$94,456,969, and \$591,237,591 and \$297,728,686, respectively.² DM is licensed in Connecticut, Massachusetts, New Hampshire and Rhode Island; FM is licensed in Arkansas, Connecticut, Massachusetts, Maine, Missouri, New Hampshire, New Jersey, Pennsylvania, Rhode Island and Vermont; and NDM is widely licensed and/or authorized on an excess lines basis, except in California, Colorado, Utah, Iowa, Maryland, Florida and Maine.

The key objectives of the N&D Group are to (i) preserve and grow policyholder surplus, (ii) deliver comprehensive and easy to use products and services, (iii) provide a rewarding and engaging workplace for all company employees, (iv) be a trusted and dynamic partner to agents, and (v) positively impact the communities in which company employees live and work. The N&D Group's core values include accountability, agility, collaboration, continued improvement, integrity and responsiveness, and the hallmarks that differentiate the N&D Group from many of its peers include (i) financial strength and underwriting results, (ii) agency relationships, (iii) talent, service and expertise, (iv) breadth of products, and (v) agency technology.

(c) Organizational Chart

The current organizational structure of the Domestic Insurers is shown on the organizational chart attached as Exhibit "B". The organizational charts attached as Exhibit "C" and Exhibit "D", respectively, present the identities of and the inter-relationships among the Applicants and their affiliates prior to and following the Affiliation. Such charts indicate the percentage of voting securities of each entity owned or controlled by the Applicants or by any other such entity as well as the type of organization and the state or other jurisdiction of domicile

² The Applicants operate collectively with their affiliates and subsidiaries as part of the "The Norfolk & Dedham Group®", or the "N&D Group®". See generally Exhibit "C".

of each entity specified therein. Unless otherwise indicated on such charts or in this Statement, no person directly or indirectly owns, controls, holds with power to vote or holds proxies representing collectively ten (10) percent or more of the voting securities of the Applicants. No court proceeding involving a reorganization or liquidation is pending with respect to Applicants, or any of their affiliates.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS

(a) Directors and Executive Officers of the Applicants

Below is a list of the directors and executive officers of the Applicants. NAIC biographical affidavits of the individuals listed in this Item 3 are included with this Statement as Exhibit “E”. Applicants are requesting that the Department afford confidential treatment to these materials given the personal nature of their contents. The name, business address, residence address, and present principal business activity, occupation or employment of the individuals listed below are noted in the biographical affidavits for such persons. The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business, corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the individual listed below, are stated in the biographical affidavits for such persons. Except as set forth in such biographical affidavits, no occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. Except as otherwise indicated in the biographical affidavits for such persons, to the knowledge of the Applicants, no person listed below has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten years.

Each of the Applicant’s Boards of Directors consists of the following members:

<u>Director</u>	<u>Principal Occupation</u>
Joel P. Murray	President, CEO and Chairman, DM, FM and NDM
Charles M. Chamness	Retired President and CEO of NAMIC
Maryellen J. Coggins	Retired Managing Director, Risk & Capital Management Services, Price Waterhouse Coopers
Barbara Finigan Fitzgerald	Retired General Counsel of Hasbro, Inc.
Glenn E. Niinimaki	Insurance Agent, EVP Choice Insurance Group
John J. O’Neil III	Retired Founding Partner of National Development

Gregory L. Petrini	President and CEO, Petrini Corp.
Lori J. Shaver	Self-employed Management Consultant
John J. Zona	Chief Investment Officer, Boston College

The day-to-day affairs of the Applicants are managed by the following executive officers:

<u>Executive Officer</u>	<u>Title</u>
Joel P. Murray, CPCU	CEO & President
Alex P. Butensky, MAAA, FCAS, CPCU	SVP, CFO, Treasurer & Chief Actuary
Michele C. Sears, Esquire	Corporate Secretary & General Counsel

(b) Owners of Ten Percent or More of the Voting Securities of the Applicants

No person currently possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the Applicants, whether by ownership of voting securities, by contract, or otherwise.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source and Amount of Funds or Other Consideration Used or to Be Used in Effecting the Merger or Other Acquisition of Control

As provided for in the Master Affiliation Agreement (Exhibit “A”), upon approval by the Department, and the satisfaction of other conditions to closing that are customary in transactions of this type, the Applicants will acquire control of the Domestic Insurers when the Boards of each company are reconstituted and the Pooling and Shared Services Agreements are entered into. As a mutual affiliation, there is no purchase price or consideration payable to the Domestic Insurers, though all parties believe that combining their strengths will provide substantial benefits to the members of both organizations and materially enhance the product offerings and services available to all members.

(b) Criteria Used in Determining the Nature and Amount of Such Consideration

The Applicants performed customary due diligence investigation and reviewed, among other things, the financial statements, operations and legal documents of the Domestic Insurers. The basis and terms of the Master Affiliation Agreement resulted from arms-length negotiations between the respective management, representatives, financial advisors and counsel for the Applicants and the Domestic Insurers. The Boards of Directors of the Applicants and the Domestic Insurers, following due diligence review and analysis under customary evaluation techniques, approved the Affiliation and determined that the Master Affiliation Agreement and other transaction documents were advisable and in the best interests of their respective members and/or shareholders.

(c) Identities of the Lenders

Not applicable.

ITEM 5. FUTURE PLANS OF INSURERS

Pursuant to the Master Affiliation Agreement, the parties will, contemporaneous with closing on the Affiliation, enter into Pooling and Shared Services Agreements. No later than one (1) year of closing on the Proposed Affiliation, the Shared Services Agreement will be replaced by a Management & Services Agreement with Newbury Corporation (“Newbury”), a wholly-owned subsidiary of the Applicants. Contemporaneously with the parties entering into the Management & Services Agreement, (i) UM will purchase an ownership interest in Newbury, and (ii) all UM employees will become employees of Newbury.³ As noted, UM will also become an owner of Newbury upon execution of the Newbury Shareholder Agreement in accordance with Section 2.2 of the Master Affiliation Agreement.

In addition, following the Closing, the Applicants and each Domestic Insurer will continue to maintain separate corporate existences and substantially continue their operations as currently conducted. No plans exist to make any staff reductions or layoffs, and the parties will use their best efforts to maintain compensation and benefits for all employees and staff

³ The Applicants are, on behalf of UM, requesting Form “D” review and approval of these agreements and the Newbury Shareholder Agreement, each of which is attached in draft form to the Master Affiliation Agreement (as Exhibits “E”, “F” and “G”, respectively), in connection with the Department’s review of this Form “A” filing. The Applicants will similarly be submitting these agreements to the Massachusetts Insurance Division for Form “D” review and approval in connection with notification to the Massachusetts Division of Insurance of this Proposed Affiliation. Form “D” approval of the Management & Shared Services Agreement, which has not yet been drafted, will be sought later, once the agreement is prepared and finalized.

subject to rate changes, availability and market conditions generally. See generally Exhibit “A”, Section 3. On and after Closing, the parties will also decide in good faith on a new group name for the affiliated organization that satisfies both parties’ interests, recognizing the value associated with affiliating and integrating all companies within the group.

Immediately after the Closing, Joel P. Murray will continue in his roles as Chair, President and CEO of DM, FM and NDM, and Lisa Keysar will continue in her roles as President and CEO of UM and NEG. After the Closing, Lisa Keysar will report to Mr. Murray as Chair of the affiliated group of companies, and upon her retirement from UM and NEG, DM, FM, NDM, UM Mutual and NEG will each have Regional Presidents who will report to Mr. Murray as CEO of the affiliated group of companies (the Regional President for UM and NEG will be the same individual). A list of the directors (as reconstituted) and executive officers of the Applicants and the Domestic Insurers following closing of the Affiliation is attached hereto as Exhibit “F”.

Further, the parties have agreed to maintain the principal office of UM in Montpelier, Vermont, for a period of not less ten (10) years from the Closing Date (or in the event doing otherwise becomes financially or operationally impracticable, which for purposes of the principal office means a post-affiliation decrease of more than thirty percent (30%) of the parties’ combined surplus as of the Closing Date, in which case an alternative location in or near Montpelier, Vermont will be secured).

Other than as set forth in the Master Affiliation Agreement and otherwise described in this Form “A”, the Applicants have no present plans or proposals to cause the Domestic Insurers to declare an extraordinary dividend, to liquidate the Domestic Insurers, to sell the Domestic Insurers’ assets to, or merge the Domestic Insurers with, any person or persons or to make any other material change in the Domestic Insurers’ business operations or corporate structure or management.

From time to time following the closing of the Proposed Affiliation, in the ordinary course of business, the Applicants and the Domestic Insurers’ management may evaluate the business and operations of the Domestic Insurers and make any necessary or desirable changes to such business and operations, subject, in each case, to the Master Affiliation Agreement and obtaining any required regulatory approvals and making any required filings with regulators as may be required under the circumstances.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

(a) Number of Shares and Method of Acquisition

Not applicable.

(b) Method by Which Fairness of Proposal was Determined

Please refer to Section 4(b) above, which sets forth the method by which fairness of the Proposed Affiliation was determined.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Neither the Applicants, their affiliates nor any person identified in Item 3 above beneficially owns or has the right to acquire beneficial ownership of any voting security of the Domestic Insurers or their parents or affiliates other than through the Proposed Affiliation that is the subject of this Application.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Except as provided in the Master Affiliation Agreement, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers, their affiliates or any person listed in Item 3 above, including any transfer of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of the Domestic Insurers, their affiliates or any person listed in Item 3 above during the 12 calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

There have been no recommendations to purchase any voting security of the Domestic Insurers made during the 12 calendar months preceding the filing of this Statement by the Applicants, their affiliates or any person listed in Item 3 above, or by any other person based on interviews or at the suggestion of the Domestic Insurers, their affiliates or any person listed in Item 3 above.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Neither Applicants nor any of their affiliates nor any person identified on the biographical affidavits submitted with this Statement has or will have any contract, understanding or agreement with any broker-dealers as to the solicitation of any voting security for tender issued by the Domestic Insurers.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

A. The following is a list of the exhibits and financial statements filed with this Statement:

Master Affiliation Agreement by and between the Dorchester Mutual Insurance Company, Fitchburg Mutual Insurance Company, Norfolk & Dedham Mutual Fire Insurance Company and the Union Mutual Fire Insurance Company dated April 5, 2024 (<i>Confidential Treatment Requested</i>)	<u>Exhibit “A”</u>
Pre-Affiliation organizational chart for the Domestic Insurers and affiliates	<u>Exhibit “B”</u>
Pre-Affiliation organizational chart for the Applicants and their affiliates	<u>Exhibit “C”</u>
Post-Affiliation organizational chart for the Applicants and their affiliates	<u>Exhibit “D”</u>
NAIC Biographical Affidavits for Applicants’ Directors and Executive Officers (<i>Confidential Treatment Requested</i>)	<u>Exhibit “E”</u>
Post-Closing List of Executive Officers and Directors for the Domestic Insurers and the Applicants	<u>Exhibit “F”</u>
Applicants’ Annual Statutory Financial Statements for the years 2019 through 2023	<u>Exhibit “G”</u>
Financial Projections for the Domestic Insurers (<i>Confidential Treatment Requested</i>)	<u>Exhibit “H”</u>

B. The above financial statements include the annual financial statements of the persons identified in Item 2(c) for the preceding five (5) fiscal years, and similar information covering the period from the end of the person’s last fiscal year.

C. The Applicants are not individuals; therefore, this subparagraph is not applicable.

D. There are no tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years; therefore, this subparagraph is not applicable.

E. Applying the criteria set forth in Vt. Stat. Ann. tit. 8, § 3683a, the Proposed Affiliation will not substantially lessen competition in any line of insurance in the State of Vermont or tend to create a monopoly therein. The Proposed Affiliation meets the pre-acquisition notification exemption standards set forth in Vt. Stat. Ann. tit. 8, § 3683a(b)(4). Specifically, the Proposed Affiliation would be fully exempt from the application of the Form

“E” pre-acquisition notification requirements for all lines of business because it would not result immediately in any increase in market share. Accordingly, the Applicants respectfully request that the Department deem the information provided in this Item 12(e) satisfy the requirements of Vt. Stat. Ann. tit. 8, § 3683(a)(3).

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form “F” within 15 days after the end of the month in which the Closing occurs and annually thereafter as long as control exists. The Applicants will satisfy this requirement by providing the Department a copy of the Applicants’ most recent Form “F” as filed with the Massachusetts Division of Insurance, which is the lead state insurance regulator of the Applicants’ holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC. The Applicants also acknowledge that the Applicants and all subsidiaries within their control in the insurance holding company system will provide information to the Department upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

[remainder of page intentionally left blank]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of 8 V.S.A. § 3683 and Regulation 71-2 (Revised), the Applicants have caused this Form “A” Statement to be duly signed on their behalf in the Town of Dedham and Commonwealth of Massachusetts on the 23rd day of April 2024.

**DORCHESTER MUTUAL INSURANCE
COMPANY**


**FITCHBURG MUTUAL INSURANCE
COMPANY**

**NORFOLK & DEDHAM MUTUAL FIRE
INSURANCE COMPANY**

By: 

Joel P. Murray
President & CEO

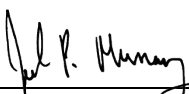
Attest:



Michele C. Sears
Corporate Secretary & General Counsel

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 23, 2024, for and on behalf of Dorchester Mutual Insurance Company, Fitchburg Mutual Insurance Company and Norfolk & Dedham Mutual Fire Insurance Company; that he is the President & Chief Executive Officer of each such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.



Joel P. Murray