



# 2024 ANNUAL REPORT



CO-OPERATIVE  
INSURANCE  
COMPANIES

# Letter from the President



Dear Members, Agents, and Associates,

As we reflect on the past year, I want to extend my heartfelt gratitude for your continued trust and support of Co-operative Insurance Companies. Our commitment to serving you remains unwavering, even as we navigate through these challenging times.

The past few years have presented significant challenges for many individuals and businesses, and especially for the insurance industry globally, domestically, and regionally. We have witnessed unprecedented events, including geopolitical tensions, economic uncertainties, and natural disasters. Many of these events have had a profound impact on the insurance landscape, leading to heightened loss activity

and a significant increase in the associated costs.

In particular, the personal auto insurance lines continue to experience above-average loss activity. A “frequency of severity” is how we best describe it. To be clear, either one of these specific loss trend indicators is worrisome, but put them together and it grabs your attention. We continue to experience generally poor driving habits post-COVID, whether it is due to distracted driving or excessive speed for the conditions. Couple that with the average cost of a new vehicle in the United States being just shy of \$50k, and the combination of those words is striking. Additionally, the cost of repairs due to increasing labor costs and parts, along with the addition of advanced technology that keeps us all safer and better informed behind the wheel, has resulted in a significant increase in dollars paid out for an auto claim. Relative to that new technology are the sensors and cameras that are layered

into bumpers and behind windshields that need to be calibrated after replacement. As the average age of the vehicle on the road gets younger and this technology becomes standard equipment, we find ourselves playing catch-up with our pricing models. In fact, if a vehicle is in an accident today, the possibility has risen dramatically that the vehicle will be “totaled” due to the cost of repair vs. replacement. According to Axios Media, the percentage of vehicles “totaled” soared to an all-time high of 27% in 2023. As a result of our overall auto experience, we recently implemented a new rating algorithm that associates more competitive rates with lower number of annual miles driven per insured vehicle.

In addition, building material costs are still well above where they were prior to the pandemic, and finding a reputable contractor to complete the repairs after a loss has never been more difficult.

Despite these challenges, I want to assure you Co-operative Insurance Companies remain financially strong and well positioned to navigate these turbulent times. Our mutual structure allows us to prioritize the long-term interests of our members; however that also means we are compelled to use our financial resources wisely. For example, we have implemented coverage changes in all lines and more rigorous loss prevention practices in several of our leading affinity groups such as farms, restaurants, and maple sugaring operations. By building out our inspection personnel and infrastructure, we have been able to significantly increase the speed with which we can evaluate a new piece of business or address various remedial issues on a renewal.

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We ended 2024 with \$127.7M in direct written premium, an increase of 11.4% from the previous year. Even as we managed to reduce our expenses for the year to 40.7% from 42.4% in 2023, our loss ratio and the high cost of reinsurance deteriorated our results further in 2024, and we ended the year at a 109.8% combined ratio.

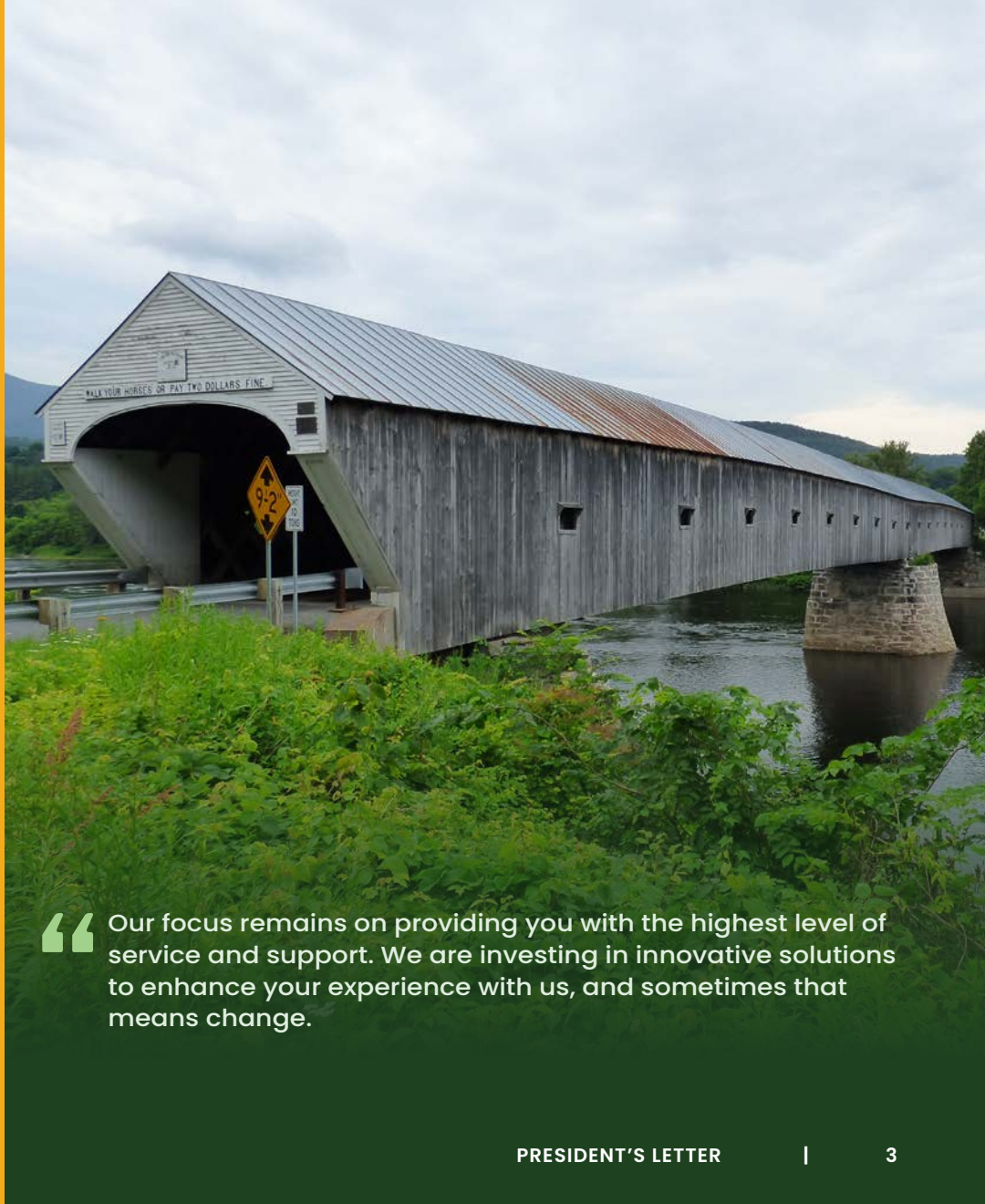
Total Policyholders' Surplus also decreased 2.3%, from \$97.6 million to \$95.4 million.

Our focus remains on providing you with the highest level of service and support. We are investing in innovative solutions to enhance your experience with us, and sometimes that means change. Additionally, we are committed to maintaining open and transparent communication, keeping you informed about our progress and any changes that may impact you.

Looking ahead, we are optimistic about the future, even though we realize it means a continuation of changes to our portfolio. We believe that the steps we have taken will position us for a stronger and more resilient tomorrow. Our mission is to continue to be a trusted partner, providing you with the security and peace of mind you deserve.

We will continue to adapt to the evolving landscape, leveraging technology and innovation to enhance our products and services, and we are grateful for your continued trust and loyalty.

Sincerely,  
**Lee T. Dowgiewicz**  
*President & CEO*



“ Our focus remains on providing you with the highest level of service and support. We are investing in innovative solutions to enhance your experience with us, and sometimes that means change.

# Financials

## Balance Sheet As of December 31

(In Thousands)



ASSETS	2024	2023
■ Bonds, at amortized cost	\$ 129,430	\$ 121,231
■ Stocks and Mutual Funds, at fair value	33,148	30,030
■ Cash and Short Term	7,917	8,971
□ Real Estate and other	2,997	2,255
■ <b>Total Invested Assets</b>	<b>173,492</b>	<b>162,487</b>
■ Premiums Receivable	24,591	22,208
■ Deferred Income Taxes	4,011	3,477
■ Other Assets	2,003	2,580

**TOTAL ASSETS** **\$ 204,097** **\$ 190,752**



LIABILITIES AND SURPLUS	2024	2023
■ Unearned Premiums	65,929	55,760
■ Reserve for Losses and Claim Expenses	30,295	25,859
■ Commissions and Expenses Payable	7,035	6,479
□ Other Liabilities	5,419	5,030

**TOTAL LIABILITIES** **108,678** **93,128**

■ Policyholders' Surplus 95,419 97,624

**TOTAL LIABILITIES AND SURPLUS** **\$ 204,097** **\$ 190,752**

## Statement Of Income

(In Thousands)

YEAR ENDED DECEMBER 31

	2024	2023
Premiums Earned, Net of Reinsurance	\$ 101,374	\$ 85,832
Losses Incurred	62,240	45,627
Loss Adjustment Expenses	7,787	7,328
Other Underwriting Expenses	45,329	39,322
<b>Net Loss from Underwriting</b>	<b>(13,982)</b>	<b>(6,445)</b>
Net Investment Income	10,112	6,401
Other Income	511	631
<b>Income Before Federal Tax</b>	<b>(3,359)</b>	<b>587</b>
Federal Income Tax	65	35
<b>NET INCOME</b>	<b>\$ (3,424)</b>	<b>\$ 552</b>

## Statement Of Changes In Surplus

(In Thousands)

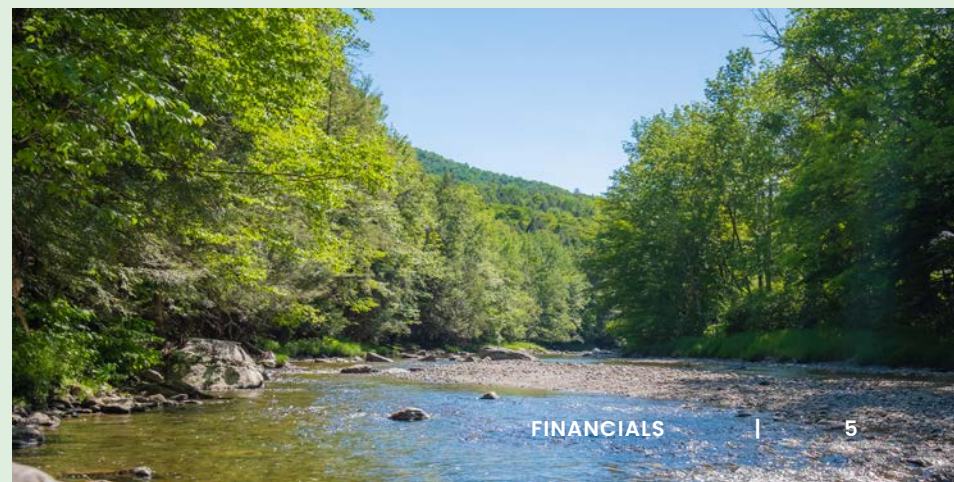
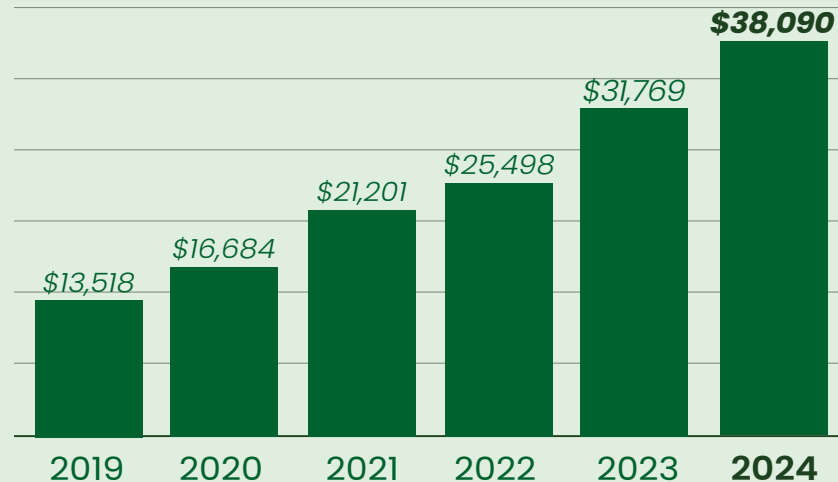
YEAR ENDED DECEMBER 31

	2024	2023
Policyholders' Surplus, Beginning	\$ 97,624	\$ 92,459
Net Income	(3,424)	552
Unrealized Investment Gains (Losses)	(274)	2,025
Other Surplus Changes	1,493	2,588
<b>POLICYHOLDERS' SURPLUS, ENDING</b>	<b>\$ 95,419</b>	<b>\$ 97,624</b>

We continue to focus on growing commercial lines.

## Commercial Written Premiums

(In Thousands)



# Co-op Donates to Over 100 Organizations & Groups Every Year in VT & NH

Here is a partial list of those receiving Co-op's support in 2024:

Addison County Chamber Of Commerce

Addison County Economic  
Development Corp.

Addison County Fair & Field Days

Addison County Home Health & Hospice, Inc

Addison County Relocalization Network

Addison Housing Works

Agri-Mark Young Cooperators

Alburgh Public Library

All Star Hockey Classic

American Red Cross

Atria (formerly WomenSafe)

Battell Hose Company

Boys & Girls Club of Greater Vergennes

Brattleboro Rotary Club

Central Vermont Chamber

Champlain Philharmonic

Cornwall Library

Cystic Fibrosis Foundation

Dig Deep Vermont

Elderly Services, Inc

Enosburg Falls Little League

Friends of Conway Rec

Friends of Middlebury Football

Friends of Ripton School

Friends of the Vergennes Opera House

Giffords Last Mile

Green Mountain Council, BSA

Green Up Vermont

Henry Sheldon Museum

Hillsborough County 4-H

Homeward Bound

HOPE

Insurance Library

Jr. Iron Chef - Vermont Afterschool

Lake Champlain Maritime Museum

Lakes Region Rotary

Make-A-Wish Foundation of Vermont

Mary Hogan School

Memorial Sports Center

Middlebury Area Land Trust

Middlebury Community Players

Middlebury Rotary Club

Middlebury Summer Festival

Middlebury Union High School

Milton High School

Mount Abe Softball

NAMI Vermont

New Hampshire Food Bank

NH Association of Insurance Agents

Nordic Spirit Soccer Club

North Branch School

Northeast Organic Farming Association - VT

Opera Company of Middlebury

Orange County Parent Child Center

Randolph Area Food Shelf

Regal Gymnastics

Rokeby Museum

Rural Vermont

Shoreham Recreation

St. Michael School

The ALS Association

Town Hall Theater

United Way of Addison County

# Donations

In 2024, Co-op agents, staff and supporters were able to tee off for the 22nd Wish Kids Golf Classic, raising funds for Make-A-Wish® of Vermont. When all was finalized, \$30,000 was generated and donated to Make-A-Wish Foundation® of Vermont. Over the past 24 years, Wish Kids Golf Classic has raised over \$500,000 for the cause!

Vergennes Day Race

Vergennes Rotary Club

Vermont Adaptive Ski & Sports

Vermont Agriculture Hall of Fame

VT Association for the Blind & Visually Impaired

Vermont Association of Insurance Professionals

Vermont Businesses For Social Responsibility

Vermont Children's Museum

Vermont Elks Charities

Vermont Food Bank

Vermont Highway Safety Alliance

Vermont Insurance Agents Association

Vermont Maple Festival

Vermont State Firefighters' Association

Visiting Nurse and Hospice of VT/NH

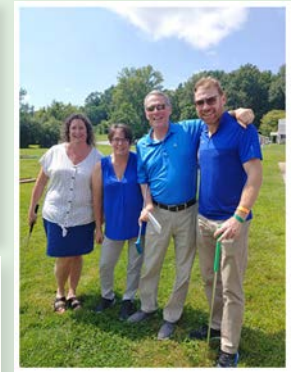
VT Hunter Jumper Association

Western Town Library

Wish Kids Golf Classic

Make-A-Wish®  
VERMONT





# We're proud to have been named a Best Place to Work in Vermont again for 2024!

It was our eighth consecutive year of being recognized in the small business category.

The process includes a review of company practices and policies, but the results depend mostly on direct







survey feedback from company employees. Our benefits package, competitive pay, commitment to work-life balance, and opportunities to give back to our communities are all factors in recruiting and retaining the strong team we have.





# Supporting the American Red Cross

## American Red Cross Responds JULY 2023 – JUNE 2024 | Fiscal Year Statistics

	NEW HAMPSHIRE	VERMONT
	Responded to more than <b>250 disasters</b> in New Hampshire assisting more than <b>630 people</b> .	Responded to more than <b>465 disasters</b> in Vermont assisting nearly <b>975 people</b> .
	Collected nearly <b>58,000 blood products</b> and held about <b>2,200 blood drives</b> in New Hampshire.	Collected more than <b>31,000 blood products</b> and held more than <b>1,100 blood drives</b> in Vermont.
	Trained more than <b>10,600 people</b> in first aid, CPR and AED skills, nearly <b>4,400 people</b> in aquatics and more than <b>75 people</b> in caregiving.	Trained more than <b>4,800 people</b> in first aid, CPR and AED skills, about <b>1,911 people</b> in aquatics and more than <b>65 people</b> in caregiving.
	Provided more than <b>1,400 services</b> to military members, veterans, and their families.	Provided more than <b>500 services</b> to military members, veterans, and their families.
	Installed more than <b>700 free smoke alarms</b> across the state.	Installed nearly <b>400 free smoke alarms</b> across the state.
	Supported by more than <b>815 active volunteers</b> who logged nearly <b>72,000 hours</b> providing care and comfort.	Supported by <b>280 active volunteers</b> who logged more than <b>22,300 hours</b> providing care and comfort.



## American Red Cross Northern New England Region

Co-operative Insurance Companies is proud to support the American Red Cross. Not only have we hosted multiple blood drives at our home office in Middlebury, but we continue to be a regional sponsor of the Home Fire Campaign, helping distribute fire safety tips and free smoke alarms to local neighborhoods in Vermont and New Hampshire.

The American Red Cross of Northern New England serves more than 3.2 million people in New Hampshire, Maine, and Vermont, covering 40 counties and 49,083 square miles. More than 1,600 dedicated volunteers deliver their humanitarian mission with a small group of employees.



# Leadership

## 2023 – 2024

### Executive Management Team



**Back Row (L-R):** Gina Larrow, Dale Groves, Lee Dowgiewicz, Kevin Heffernan, Tamaron Loger

**Front Row (L-R):** Eric Rhoades, Kim Holmbeck, Mark Roberts

## 2023 – 2024

### Board of Directors



**Back Row (L-R):** Jane Sorensen, Christine Moriarty, Lee Dowgiewicz, John Myhre, Jean Conklin, Marie Jewett

**Front Row (L-R):** Jacques Couture, Karen Furtado, Richard Foote, Pamela Douglass

# Patrons Co-operative Fire Insurance Company

# DBA Co-operative Insurance Companies

## EXECUTIVE MANAGEMENT TEAM

Lee Dowgiewicz, *President & CEO*

Gina Larrow, *Chief Operating Officer*

Tamaron Loger, *CFO, Vice President—Finance*

Dale Groves, *Senior Vice President—Underwriting Operations*

Kevin Heffernan, *Vice President—Claims & SIU*

Kim Holmbeck, *Vice President—Programs*

Eric Rhoades, *Senior Vice President—Information Services*

Mark Roberts, *Vice President—Marketing & Member Services*

Mary Micklas, *Secretary to the Board*

## BOARD OF DIRECTORS

Jean Conklin, *Chair*

Marie Jewett, *Vice Chair*

Jacques Couture

Pamela Douglass

Lee Dowgiewicz

Richard Foote

Karen Furtado

Christine Moriarty

John Myhre

Jane Sorensen

## Co-op's Mission

Our goal is to provide financial security and protection to residential property owners, farm owners and business owners in Vermont and New Hampshire. We deliver our products and services through a professional insurance agency system; our agents are valuable partners in Co-op's success.

## Co-op's Core Values

Our core values of integrity, respect, accountability, and stewardship guide our actions as we offer a full array of property and casualty insurance products and services.

## Co-op & the Community

We're committed to supporting our customers and the community. By giving back to them, we hope to foster a true partnership of loyalty, trust, and mutual respect. Every year, Co-op awards community grants in Vermont and New Hampshire; in addition, we donate to and sponsor more than 100 organizations throughout the two states.



**CO-OPERATIVE  
INSURANCE**  
COMPANIES

**MEMBER OWNED. MEMBER COMMITTED.**

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[CO.OPINSURANCE.COM](http://CO.OPINSURANCE.COM)