

2025 ANNUAL REPORT



CO-OPERATIVE
INSURANCE
COMPANIES

A Message of Thanks and Perspective



To our Members, Agents, and Associates,

As we reflect on 2025, I want to begin with a sincere thank you. Your continued trust in our company – often across generations – made this past year possible. After several challenging years for the insurance industry and Co-op in particular, 2025 marked our first year of underwriting income since 2020. That milestone is meaningful not only for our financial strength, but for our long-term ability to serve Vermont and New Hampshire with stability and independence.

This past year unfolded in a business environment unlike anything we had seen in a generation. While inflation moderated from earlier peaks, the cumulative impact of higher

prices remains embedded in nearly every aspect of insurance. Repair and replacement costs for homes, vehicles, farms, and businesses remain elevated, driven by higher labor costs, continued supply chain friction, and increased material prices. What once could be repaired is now more often replaced, and the final cost amplified by the addition of embedded technology. What once took days can now take many weeks or months. These realities directly affect claims severity, and ultimately, the cost of coverage.

Weather volatility also continues to reshape our risk landscape. New England has experienced more frequent and more intense weather events, testing both property resilience and insurance capacity. For local insurers like us, these events are not abstract trends – they affect neighbors, communities, and balance sheets all at once. At the same time, the cost of reinsurance, which helps protect

policyholders from catastrophic loss, has risen significantly over the last few years, reflecting global loss activity well beyond our region.

The broader insurance marketplace has also been in a period of adjustment. Capital that might have gone into new equipment, training, and general business expansion has instead been held back due to geopolitical instability. Underwriting discipline has tightened, and regulators and rating agencies are rightly focused on solvency and long-term sustainability. These pressures have changed expectations for insurers and policyholders alike. Coverage structures, deductibles, pricing, and underwriting standards across the industry have evolved, sometimes uncomfortably, but necessarily.

We ended 2025 with \$136.6M in direct written premium, a 7% increase from the previous year. However, more importantly, we turned around an almost \$14M net underwriting loss in 2024 to a small underwriting profit for 2025. Beyond underwriting income, we were able to generate a net investment income of \$7.6M, which ultimately brought our policyholder surplus for the year to \$105.1M; over a 10% increase from where we ended 2024.

Amid these challenges, our commitment remains unchanged. We believe in clear communication, fair treatment of claims, and pricing that reflects real risk while supporting our communities. Returning to underwriting profitability in 2025 allows us to reinvest in technology, people, and service – ensuring we can

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respond faster, communicate better, and remain a dependable local carrier in a consolidating industry. An example of this reinvestment is the recent rollout pilot programs for Ting and LeakBot devices which are fully paid for by Co-op to help identify and prevent home-based electrical issues and pressure-line water leaks, respectively; a trend toward assisting our members to avoid or reduce losses, which is a growing practice in our industry.

Change is never easy, particularly when it touches something as personal as protecting homes, livelihoods, and businesses. We are grateful for your understanding as expectations evolve, and for engaging in the conversations that bring perspective. Your loyalty allows us to remain here - local, cooperative in spirit, and focused on the long term.

Thank you for placing your trust in us. We do not take it lightly, and we look forward to serving you in the years ahead.

Sincerely,
Lee T. Dowgiewicz
President & CEO



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Balance Sheet As of December 31

(In Thousands)

ASSETS	2025	2024
Bonds, at amortized cost	\$ 128,817	\$ 129,430
Stocks and Mutual Funds, at fair value	37,720	33,148
Cash and Short Term	10,830	7,917
Real Estate and other	9,644	2,997
Total Invested Assets	187,011	173,492
Premiums Receivable	26,351	24,591
Deferred Income Taxes	2,939	4,011
Other Assets	5,716	2,003
TOTAL ASSETS	\$ 222,017	\$ 204,097
LIABILITIES AND SURPLUS	2025	2024
Unearned Premiums	70,555	65,929
Reserve for Losses and Claim Expenses	32,542	30,295
Commissions and Expenses Payable	10,124	7,035
Other Liabilities	3,667	5,419
TOTAL LIABILITIES	116,888	108,678
Policyholders' Surplus	105,129	95,419
TOTAL LIABILITIES AND SURPLUS	\$ 222,017	\$ 204,097

Statement Of Income

(In Thousands)

YEAR ENDED DECEMBER 31

	2025	2024
Premiums Earned, Net of Reinsurance	\$ 113,490	\$ 101,374
Losses Incurred	54,267	62,240
Loss Adjustment Expenses	8,719	7,787
Other Underwriting Expenses	50,490	45,329
Net Loss from Underwriting	14	(13,982)
Net Investment Income	7,603	10,112
Other Income	506	511
Income Before Federal Tax	8,123	(3,359)
Federal Income Tax	1,280	65
NET INCOME	\$6,843	\$(3,424)

Statement Of Changes In Surplus

(In Thousands)

YEAR ENDED DECEMBER 31

	2025	2024
Policyholders' Surplus, Beginning	\$ 95,419	\$ 97,624
Net Income	6,843	(3,424)
Unrealized Investment Gains (Losses)	3,049	(274)
Other Surplus Changes	(182)	1,493
POLICYHOLDERS' SURPLUS, ENDING	\$ 105,129	\$ 95,419



Returning to underwriting profitability in 2025 allows us to reinvest in technology, people, and service – ensuring we can respond faster, communicate better, and remain a dependable local carrier in a consolidating industry.

Community Support & Donations

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 2025:

Addison County Fair & Field Days	Court Appointed Special Advocates of NH (CASA)	Monkton Community Coffeehouse	Vergennes Rotary Club
Addison County Firefighters Association	Cystic Fibrosis Foundation - Three Day Stampede	Mt. Abe Softball	VT Afterschool - Jr Iron Chef
Addison County Parent/Child Center	Elderly Services	MUHS Class of 2025	VT Agricultural Hall of Fame
Addison County Relocalization Network (ACORN)	Festival On the Green	NAMI Vermont	VT Association for the Blind and Visually Impaired
Addison Housing Works	Friends of Isley Library	New Hampshire Association of Insurance Agents	VT Association of Insurance Professionals
Age Well	Friends of Middlebury Football	New Hampshire Food Bank	VT Business for Social Responsibility (VBSR)
American Red Cross	Friends of Ripton Students (FORS)	NH Lodging and Restaurant Association (NHLRA)	VT Chapter 63 International Association of Arson Investigators
Atria Collective	From Feral to Fur-Ever Rescue	Nordic Spirit Soccer	VT Dairy Producers
Battell Hose Company	Gene McDonough Scholarship Fund	North Branch School	VT Elks Charities
Beeman Elementary	Gifford's Last Mile	Northeast Kingdom Cancer Action Network	VT Food Bank
Big I New Hampshire	Green Up Vermont	NorthEast Organic Farming Association (NOFA)	VT Highway Safety Alliance
Boys & Girls Club of Greater Vergennes	Haverhill Heritage	Nuwave Equity Corp	VT Hunter Jumper Association
Bradford Public Library	HealthHUB VT	Open Door Clinic	VT Insurance Agents Association
Brattleboro Rotary Club	Homeward Bound	Opera Company of Middlebury	VT Maple Festival
BSA Green Mountain Council (Boy Scouts of America)	Lake Champlain Maritime Museum	Prospect Mountain Association	VT/NH All Star Hockey Classic
Central Vermont Chamber of Commerce	Lakes Region Community Developers	Regal Gymnastics	We R H.O.P.E.
Champlain Philharmonic	Lakes Region Rotary	Sail Beyond Cancer	Wish Kids Golf Classic
Champlain Valley Exposition	Mary Hogan School	St. Michael School	
Charter House Coalition	Memorial Sports Center	Tri-Valley Transit	
Committee on Temporary Shelter (COTS)	Middlebury Area Land Trust	Turning Point Center of Addison County	
Counseling Service of Addison County (CSAC)	Middlebury Rotary Club	Vergennes Day Race	
	Middlebury Skate Park	Vergennes Partnership, Inc.	
	Middlebury Summer Festival		
	Milton Boys Soccer		

Co-op is pleased to support local fundraising efforts, maintaining a connection with our neighbors, and fostering teamwork, generosity, and a shared commitment to making our community stronger.



ACORN Food Hub



In 2025, Co-op agents, staff and supporters were able to tee off for the 23rd Wish Kids Golf Classic, raising funds for Make-A-Wish® of Vermont and Northern New York. When all was finalized, \$23,200 was generated and donated to Make-A-Wish Foundation®. Over the past 25 years, Wish Kids Golf Classic has raised close to \$525,000 for the cause!



Supporting the American Red Cross

American Red Cross Responds JULY 2024 – JUNE 2025 | Fiscal Year Statistics

	NEW HAMPSHIRE	VERMONT
	Responded to nearly 150 disasters in New Hampshire assisting 625 people.	Responded to more than 110 disasters in Vermont assisting nearly 685 people.
	Collected more than 61,300 blood products and held more than 2,400 blood drives in New Hampshire.	Collected nearly 30,500 blood products and held more than 1,200 blood drives in Vermont.
	Trained more than 11,600 people in first aid, CPR, and AED skills, more than 4,200 people in aquatics & water safety and 200 people in caregiving.	Trained nearly 4,200 people in first aid, CPR, and AED skills, more than 1,900 people in aquatics & water safety and 60 people in caregiving.
	Provided nearly 1,000 whole health and case services to military members, veterans, and their families.	Provided more than 200 whole health and case services to military members, veterans, and their families.
	Engaged community partners to join us in installing about 1,050 free smoke alarms across the state.	Engaged community partners to join us in installing more than 280 free smoke alarms across the state.
	Supported by nearly 950 active volunteers who logged more than 82,000 hours.	Supported by 285 active volunteers who logged nearly 30,000 hours.



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 1,800 dedicated volunteers deliver their humanitarian mission with a small group of employees.



Blood Drive and CPR classes hosted by Co-op

We're proud to have been named a Best Place to Work in Vermont again for 2025!



It was our ninth 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.



Appreciation Event at Woodchuck Cidery



Worksite Wellness Awards Ceremony



Tour De Farms Cycling Event

Leadership

Executive Management Team



Back Row (L-R): Tamaron Loger, Kevin Heffernan, Gina Larrow, Mark Roberts, Eric Rhoades

Front Row (L-R): Lee Dowgiewicz, Kim Holmbeck, Dale Groves

Board of Directors



Back Row (L-R): John Myhre, Jean Conklin, David Domino, Lee Dowgiewicz, Richard Foote

Front Row (L-R): Pamela Douglass, Marie Jewett, Jacques Couture, Karen Furtado, Jane Sorensen

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, Senior 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 of the Board*

BOARD OF DIRECTORS

Jean Conklin, *Chair*
Pamela Douglass, *Vice Chair*
Jacques Couture
David Domino
Lee Dowgiewicz
Richard Foote
Karen Furtado
Marie Jewett
John Myhre
Jane Sorensen



Co-op's Mission

As a member-focused insurer, we offer financial security and trusted protection through personal, commercial, and farm insurance— delivering on our promise with integrity and care.

Co-op's Core Values

Our core values of member-focused, empathy, integrity, 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

Committed to our MEMBERS, protecting what matters most.

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[CO-OPINSURANCE.COM](https://www.co-opinsurance.com)