SINCE 1828

VERMONT MUTUAL

INSURANCE GROUP

ANNUAL STATEMENT 2025

Stowe, Vermont

STRENGTH IN NUMBERS

In the pages that follow, two methods are used to convey the theme of this year's annual statement…one narrative and the other visual. The narrative focuses on our strong financial results and the exceptional team that produced them. Together, there truly is "strength in numbers". The second method is visual and reflects strength and continuity. It's intended to emphasize the exceptional results we produced in 2025, which are highlighted throughout the statement and also allows us to feature some of the most beautiful scenery in the Green Mountain State, our home for 198 years!

After two difficult years for our industry in 2022 and 2023, marked by sharp increases in insured values due to inflation and flat or declining policyholder surplus, 2024 brought a welcome return to positive performance. The momentum generated in 2024 not only continued into 2025 but allowed us to eclipse many records set the prior year.

A key achievement in 2025 was surpassing $1.0 billion in policyholder surplus for the first time in our history. Surplus grew by $161 million or 19.2%, driven by more than $100 million in underwriting income.

Our Agency Partners also delivered over $85 million in new business, our second highest total following the record $88 million in 2024. We recognize the many choices available to our policyholders and agents and appreciate their continued trust in Vermont Mutual. Combined with solid retention, this resulted in total written premium growth of 5.9% to a new high of $860 million.

Noteworthy progress was also made on our legacy system replacement project. By year-end, $1.6 billion in premium had been successfully processed through the new platform since its launch, and all personal lines business had been fully migrated. This major milestone now allows us to focus on transitioning our remaining business, commercial lines, onto the new system. We also devoted significant resources across the organization to building new data, reporting and automation capabilities. In doing so, we expanded real-time interactive reporting to business users and deployed automation and artificial intelligence to streamline routine workflows, while staying conscious of the value of having a human in the loop. This aligns with our ongoing goal of being an almost 200-year-old company trying desperately not to act our age.

The following pages provide more detail on a record-setting 2025. Above all, we extend our gratitude to the Vermont Mutual team, our Agency Partners, Board of Directors and the many industry partners who support our work. Their collective dedication and expertise made these accomplishments possible. There truly is strength in numbers.

To learn more, please view our 2025 Annual Statement Video Update by scanning the QR code with the camera on your smartphone or by visiting: https://vermontmutual.com/statement/

Mark J. McDonnell
Board Chair, President & CEO
mmcdonnell@vermontmutual.com

Brody N. Gilbert
Executive Vice President & COO
bgilbert@vermontmutual.com

198th ANNUAL STATEMENT

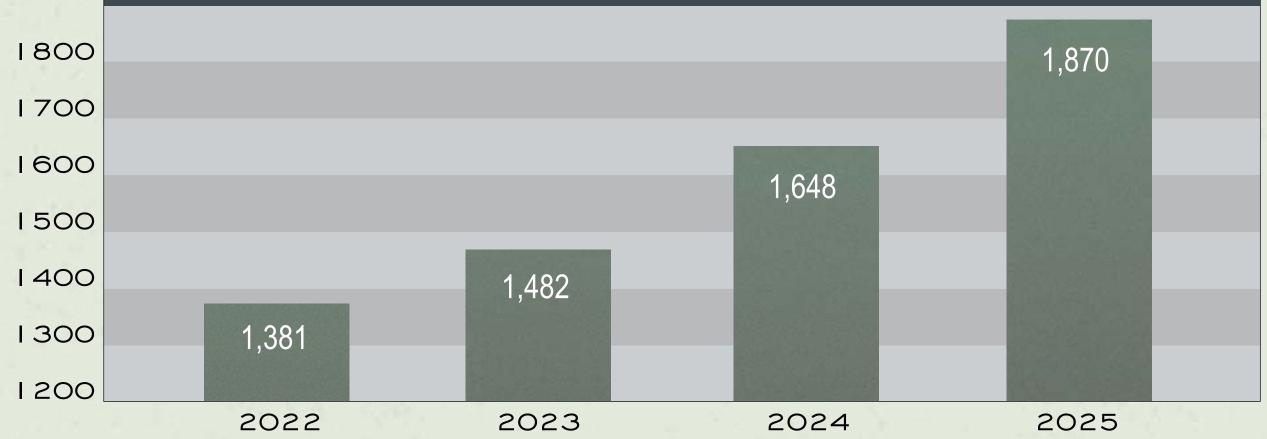
AS OF DECEMBER 31, 2025

ASSETS	2025	2024
Cash & Short Term	77,278,208	90,578,560
Bonds & Notes	1,257,431,560	1,090,466,291
Stocks	283,203,366	231,768,998
Real Estate	8,650,032	6,110,110
Premium Balances	163,271,582	153,991,537
Other Assets	79,885,715	75,442,139
Total Assets	**1,869,720,463**	**1,648,357,635**

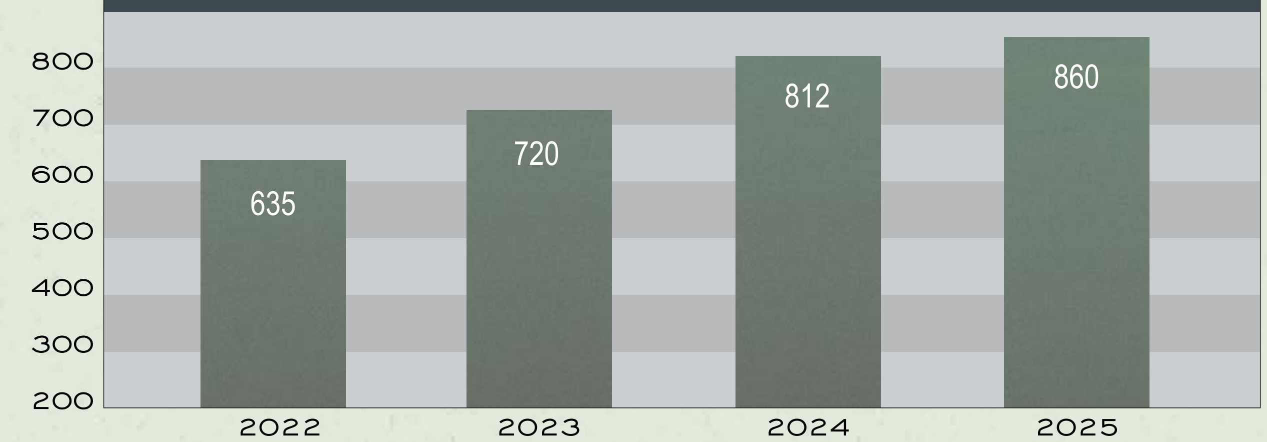
LIABILITIES	2025	2024
Reserves for Unearned Premium	443,331,658	425,940,271
Reserves for Loss & Loss Expense	287,616,839	268,916,615
Other Liabilities	137,420,007	113,205,117
Total Liabilities	**868,368,504**	**808,062,003**
Policyholders' Surplus	**1,001,351,959**	**840,295,632**
Total Liabilities & Surplus	**1,869,720,463**	**1,648,357,635**
A.M. Best Company Ratings "A" Excellent, Class XI		

198th ANNUAL STATEMENT

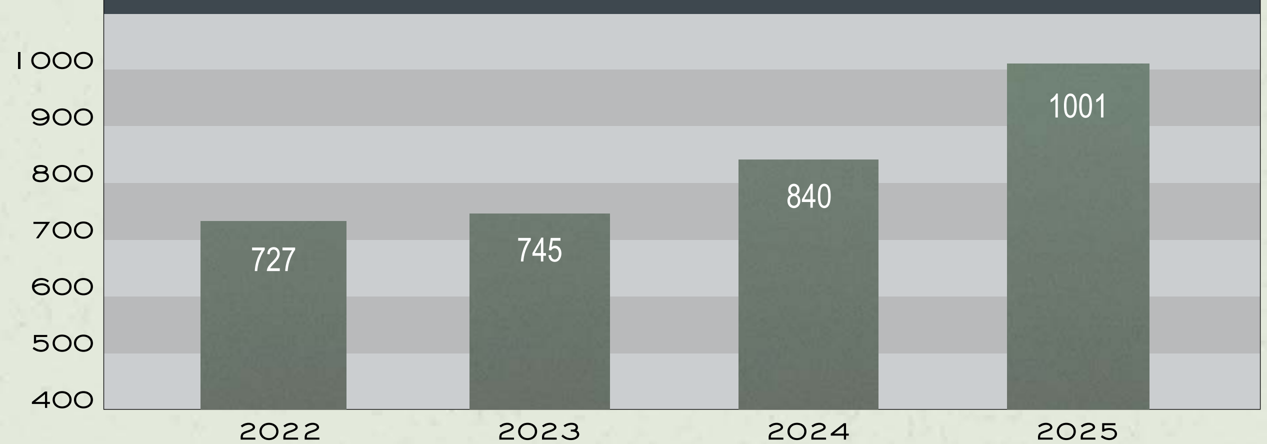
ASSETS (IN MILLIONS)



DIRECT PREMIUM (IN MILLIONS)



POLICYHOLDERS' SURPLUS (IN MILLIONS)



PREMIUM

Vermont Mutual continued its strong financial performance in 2025, making it one of the most successful years in our 198 year history. Over the past ten years Vermont Mutual has nearly doubled its written premium to a new high of $860 million at the end of 2025.

Premium growth was achieved in all seven states where the Company offers its products and was driven by a combination of near-record new business of over $85 million and solid retention of existing customers. We are proud to now provide valuable insurance protection to 320,000 customers throughout the Northeast.

$860M in Total Written Premium

PREMIUM

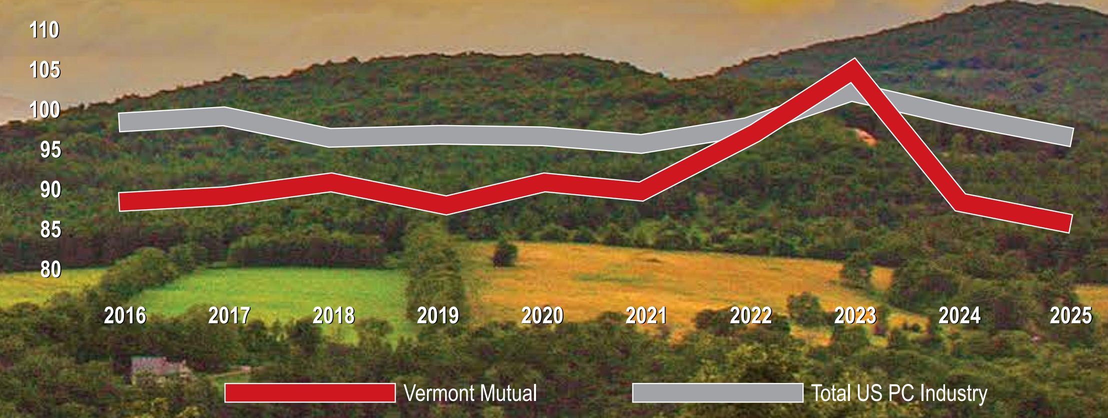
Mt. Mansfield, Vermont

PROFITABILTY

Strong financial performance at Vermont Mutual is always defined first by profitability and complemented by premium growth. This requires a well-formulated business plan, alignment of all areas within the organization, disciplined execution and the exceptional support of our Agency Partners in the field.

In 2025 this all came together and resulted in record underwriting income of $101 million. A combined ratio of 85.4% was also evidence of a very successful year and arguably the most favorable combined ratio ever recorded by the Company.

Over $100M in Underwriting Income



COMBINED RATIO COMPARATIVE TREND

PROFITABILTY

Danby, Vermont

SURPLUS

Mt. Mansfield, Vermont

SURPLUS

As Vermont Mutual has grown, so have the capital requirements necessary to remain financially strong and to be able to respond to claims from our customers…the time when they need us most. For this reason, we maintain a sharp focus on our overall policyholder surplus. In 2025 the Company grew surplus by 19.2% or $161 million to a new high of $1,001 billion.

For years our primary operational goal has been to be successful at the business we're in…underwriting risk. And the exceptional surplus growth enjoyed in 2025 was largely driven by record underwriting income and supplemented by solid investment gains and appreciation of our equity portfolio.

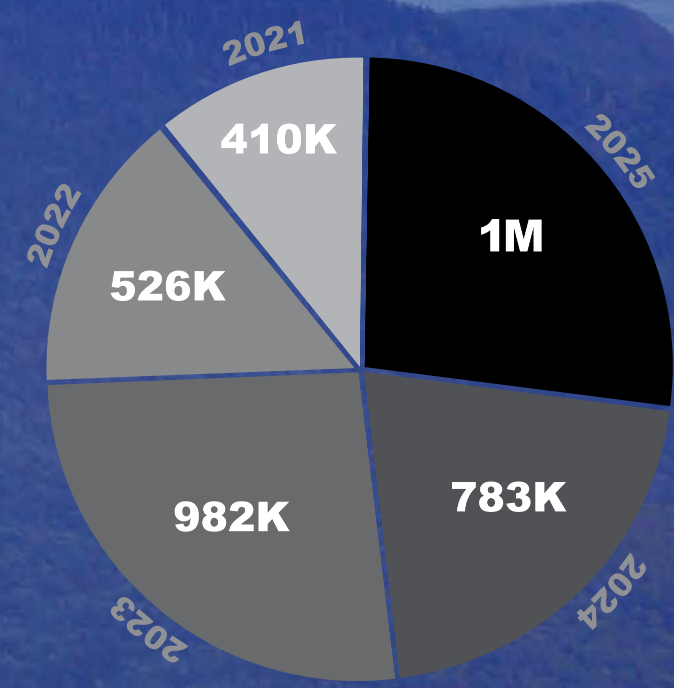
Over $1B in Surplus

CHARITABLE GIVING

Vermont Mutual's Charitable Giving Fund was created as a means of giving back to the communities we serve. Since its establishment in 2014, the Fund has been instrumental in helping our neighbors in times of need and assisting local charitable organizations dedicated to supporting our communities.

In 2025 more than $1M was distributed to non-profit, charitable organizations serving those in need in Vermont and throughout the Northeast. This marks the highest amount in a single year with the only exception being the more than $1M donated towards COVID relief back in 2020. This brings the total amount of charitable donations to over $6M since the inception of the Fund.

Over $6M in Charitable Donations



DONATIONS

Stowe, Vermont

PEOPLE POWERED

Many changes have occurred over the past 198 years, but one thing that has never changed is the strength of our people. It was that way in 1828 and remains so to this very day. Today, Vermont Mutual is proudly made up of a dedicated workforce of more than 365 professionals, expertly supporting our agents and policyholders.

As the Company continues to grow, so does the need for an experienced and talented workforce. Over the course of 2025 Vermont Mutual proudly welcomed 56 new employees, the greatest number of new staff hired in a single year in our Company's history.

RECOGNITIONS

Vermont Mutual has received numerous recognitions over the many years we have been in business. These much appreciated honors are an acknowledgment of the extraordinary people who make Vermont Mutual not only a top-rated insurance company but also an inclusive and welcoming workplace.

Notably, for the past 17 consecutive years, Vermont Mutual has been recognized as a Top 50 Insurance Company by Ward Group, one of the industry's most respected benchmarking organizations. From their five year analysis of thousands of insurance companies, Ward Group ranks Vermont Mutual's performance in the top tier of all companies nationwide.

Vermont Mutual is equally proud to have been named a "Best Place to Work in Vermont" for ten years in a row. This recognition is especially meaningful because the results are heavily determined by anonymous employee surveys that measure employee satisfaction. A positive working environment, excellent benefits, flexible work schedule and fun company events have been frequently noted by employees as reasons why Vermont Mutual is a truly a *Best Place to Work*.

Lake Dunmore and Silver Lake, Vermont

OFFICERS

Mark J. McDonnell
Board Chair, President & CEO

Brody N. Gilbert
Executive Vice President & COO

Jonathan R. Becker
Vice President & Chief Underwriting Officer

William J. Cahill, CPCU
Vice President, Chief Legal Officer & Secretary

David N. DeLuca, CPCU
Vice President & Chief Claims Officer

Shaun P.T. Farley
Vice President & Chief Marketing Officer

Samuel J. Hopkins
Vice President & Chief Information Officer

Joshua J. Wykle
Vice President, Chief Strategy & Innovation Officer

Sarah B. Young
Vice President & Chief People Officer

DIRECTORS

Richard N. Bland (2000)
Vice President, General Counsel & Sec. [Retired]
Vermont Mutual Insurance Group

David J. Provost (2012)
Executive Vice President
Finance & Administration
Middlebury College

Daniel C. Bridge (2014)
President & CEO [Retired]
Vermont Mutual Insurance Group

Steven P. Voigt (2013)
President & CEO [Retired]
King Arthur Flour Company

Mark J. McDonnell (2019)
Board Chair, President & CEO
Vermont Mutual Insurance Group

Premila Peters (2021)
President [Retired]
Data Innovations

Theresa Alberghini DiPalma (2023)
Senior VP [Retired] University of Vermont Health Network/Academic Medical Center

Mari M. McClure (2023)
President & CEO
Green Mountain Power

Michael R. Solimano (2024)
President & General Manager
Killington/Pico Ski Resort Partners, LLC

Peacham, Vermont

MARKETING

Philip S. Archambault, CPCU, CIC, CLCS
Maine

Ashley H. Bouchard, CPCU, AU
Vermont

Christopher D. French, CPCU, AU, AIS, ACS
New Hampshire

Ryan P. Griffin
Massachusetts

Cassandra M. Hedstrom, AINS
Massachusetts

Andrew E. King
Massachusetts

Kelly A. Mullen
Massachusetts & New York

Justin J. Smolinski, CLCS
New York

David J. Symock
Connecticut & Rhode Island

Christine M. Yeaton, CPCU, AU
Massachusetts

VERMONT MUTUAL
INSURANCE GROUP

STABLE PREDICTABLE COMPETENT PARTNER

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Front Cover: *Stowe, VT*

Back Cover: *Camel's Hump, VT*