



**STRENGTH, RESILIENCY  
AND DETERMINATION**



2020 ANNUAL REPORT





*More than ever, we  
stand by our core  
value of 'neighbors  
helping neighbors.'*



## PRESIDENT'S MESSAGE



## 2020 HIGHLIGHTS

- Upgraded to  
“A (Excellent) with  
a Stable Outlook”  
rating from A.M. Best
- 3rd Consecutive year  
of double-digit new  
business premium  
growth
- 8th Consecutive year  
with a profitable  
combined ratio
- 8th Consecutive year  
as a “Best Place to  
Work in VT”
- Implemented Corporate  
Social Responsibility  
program in wake of  
COVID-19 pandemic
- Governor's Excellence  
in Worksite Wellness –  
GOLD Level Award

*As it was for many businesses, 2020 was a challenging and defining year for Union Mutual. Yet our deep-rooted foundation of trusted agency partners and talented staff were resilient and adaptable, resulting in the continuation of our strong financial results, of which we are exceptionally proud.*

*Having finished 2020 as our 8th consecutive year with a sub-100 combined ratio, we continue our commitment to consistency and reliability for our agents, policyholders, and employees. While responding to the impacts of the COVID-19 pandemic was not always easy, we have been inspired by the perseverance and dedication of the insurance industry. For Union Mutual, transitioning to remote work opened new possibilities in talent acquisition, training and communication. We are tremendously proud of our 8th consecutive “Best Places to Work in Vermont” honor, which is a testament to our community-oriented Company culture and the efforts of our proficient staff.*

*As we look ahead, I am proud to begin a new era at Union Mutual not only as the Company's first female President and CEO, but also as the first second-generation leader. Our leadership team has never been more diverse, with women comprising 50%, and an increasing number of millennials joining industry veterans in key positions within the Company. This varied experience continues to be a tremendous asset as we explore innovative product solutions and best possible service for our agents and policyholders.*

*We are invigorated by the direction of the industry and new technology to make writing and servicing business as inclusive as possible. In 2020, we experienced our 3rd straight year of double-digit new business growth, and for the first time since 2015, have seen growth in both our personal and commercial lines of business. With the use of new artificial intelligence (AI) technology managed through our in-house analytics team, we have taken a deeper dive in reviewing our products and pricing to better offer the most comprehensive, competitively priced products in the market. We are also excited to be partnering with new technology to offer policyholder services such as text messaging for claims, online inspection services and smart devices to assist in loss prevention.*

*While we missed the ability to connect in person in 2020, we felt it was incredibly important to spend time and resources in supporting organizations in need. From the creation of the Montpelier Economic Need and Distress (MEND) Fund to increased charitable giving through our network of agency partners, we more than doubled charitable giving in 2020. More than ever, we stand by our core value of ‘neighbors helping neighbors’ as we do all that we can to be strong corporate citizens.*

*Here is to a bright 2021 and ensuring that our policyholders ‘live life well protected.’*

*Sincerely,*

Lisa L. Keysar  
President & Chief Executive Officer



## SPECIAL DEDICATION

*This Annual Statement is dedicated to Michael W. Nobles and Lawrence “Larry” H. Reilly, each of whom served as President and CEO of the Company. We honor them for their service to the Company and for their inspiring leadership and enduring friendship.*

### MICHAEL W. NOBLES

Michael William Nobles, 50, passed away on June 25, 2020.

Michael joined Union Mutual in 1995 and served as Assistant Treasurer, Treasurer, Senior Vice President, and Chief Operating Officer before being elected President and CEO in 2014. Michael was deeply committed to the Vermont and New York communities in which the Company operates. Michael was particularly proud of the Company’s designation as a “Best Place to Work in Vermont.” He was an avid runner and athlete and was committed to helping his staff achieve physical and financial wellness.

*“One of Michael’s greatest strengths was his ability to identify and develop future leaders,”* Chairman of the Board, and fellow past President and CEO, Josh Fitzhugh said.

Michael was an integral part of Union Mutual’s history and was driven to build a culture of employee engagement and financial operating strength. He is remembered as an innovative leader by those that knew him.



### LARRY H. REILLY

Larry Hugh Reilly, 92, passed away on December 19, 2020.

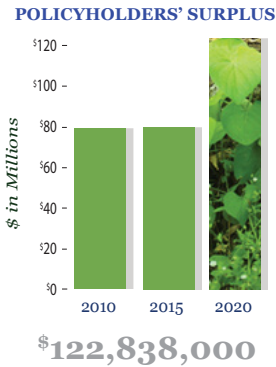
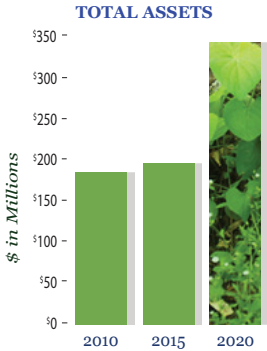
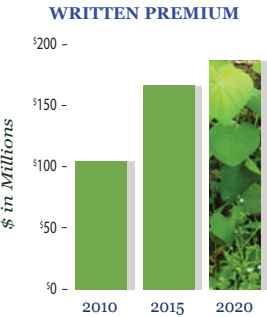
Larry began his insurance career in 1952, later joining Union Mutual on August 1, 1961, and served in various capacities in both the Claims and Marketing Departments. He became Vice President, Executive Vice President and Chief Operating Officer prior to becoming President and CEO in 1982. Larry retired in 1993 after 32 years of service and became Chairman of the Board and later served on the Advisory Council, beginning in 2001. He was part of the group that was responsible for the four-story glass and stone addition to the home office at 139 State Street that has become a fixture of the Montpelier downtown skyline.

*“The strong connections that Larry formed at the Company continued after his retirement,”* President and CEO Lisa Keysar said. *“He was a great friend to Union Mutual.”*



SERVICE, INSPIRING LEADERSHIP  
and ENDURING FRIENDSHIP





UNION MUTUAL FIRE INSURANCE COMPANY

<strong>Assets:</strong>		<strong>Liabilities:</strong>	
Bonds .....	\$190,859,000	Unearned Premiums ....	\$62,186,000
Stocks .....	40,543,000	Loss & LAE Reserves .....	96,275,000
Cash & Equivalents .....	41,623,000	Other Liabilities .....	59,998,000
Premiums Receivable ....	43,838,000	Policyholders'	
Other Assets .....	22,684,000	Surplus .....	121,088,000
\$339,547,000		\$339,547,000	

COMMUNITY MUTUAL INSURANCE COMPANY

<strong>Assets:</strong>		<strong>Liabilities:</strong>	
Bonds .....	\$980,000	Unearned Premiums .....	\$65,000
Stocks .....	9,000	Loss & LAE Reserves .....	-
Cash & Equivalents .....	244,000	Other Liabilities .....	1,126,000
Premiums Receivable .....	1,230,000	Policyholders'	
Other Assets .....	478,000	Surplus .....	1,750,000
\$2,941,000		\$2,941,000	

COMBINED BALANCE SHEET  
December 31, 2020

<strong>Assets:</strong>		<strong>Liabilities:</strong>	
Bonds .....	\$191,839,000	Unearned Premiums .....	\$62,251,000
Stocks .....	40,552,000	Loss & LAE Reserves .....	96,275,000
Cash & Equivalents .....	41,867,000	Other Liabilities .....	58,678,000
Premiums Receivable .....	44,153,000	Policyholders'	
Other Assets .....	21,631,000	Surplus .....	122,838,000
\$340,042,000		\$340,042,000	







Union Mutual was dedicated to maintaining a culture of community service even while transitioning to remote working. Pictured above are employees who participated virtually in the Vermont “Corporate Cup” 5K.

# THE STRENGTH OF OUR ROOTS



Union Mutual’s employees are the foundation of our award-winning culture, the strength of our roots, which are more important than ever. As we celebrate our 8th consecutive year as a “Best Place to Work in Vermont,” we fervently believe in the importance of employee development to create a culture of service and corporate social responsibility not only for our employees, but also for our agents and policyholders.

As we enter a new era in our Company’s storied history, we support all forms of diversity in the workplace. The varied experience – in the industry and in the workforce – of our employees forms the roots from which we continue to branch out with new and evolving product offerings, advanced innovative technology for continued ease of doing business, robust employee programming and benefits, a



Our employees seamlessly transitioned to remote work in March 2020.

steadfast commitment to our community, and much more.

Through an ever-changing world, our employees embrace and remain true to our mission and values to provide quality products and exceptional service.



The use of technology kept our employees connected and informed while working from home throughout 2020.



“Employees are challenged and supported adequately, are appreciated and thought is put into maintaining a positive and creative company culture.”

- EMPLOYEE QUOTE FROM BEST PLACES TO WORK SURVEY





*Union Mutual proudly supported our community throughout the COVID-19 pandemic through the creation of our Neighbors Helping Neighbors program, which ran through the height of the stay-at-home mandate.*

## COMMITMENT TO OUR COMMUNITY

The COVID-19 pandemic impacted each and every aspect of our business. Providing uninterrupted service to our agents and policyholders was paramount in our minds, while also working to identify ways to support our community. As our staff quickly transitioned to working from home without interrupting the Company's regular business transactions, we also immediately identified the need to support small businessowners throughout Montpelier and beyond that were struggling due to the impact of stay-at-home orders.

**“ Union Mutual has been our raft and life saver!!! [The Neighbors Helping Neighbors Program] enabled us to contribute in such a big way. Thank you.**

- PINKY'S RESTAURANT

### Neighbors Helping Neighbors

In the first two weeks of the COVID-19 pandemic, as many small businesses were faced with the reality of a decrease in sales, we saw a solution. Union Mutual pledged to purchase 200 meals a week from local businesses and donate all meals to first responders and essential workers throughout our community. As the program grew, we received an outpouring of support from Vermont-based companies that joined in our campaign and followed suit with similarly impacted businesses in their own communities. At the height of the 'Neighbors Helping Neighbors' campaign, over 2,000 meals were purchased each week and were then donated to local nursing homes, postal workers, hospitals, etc. The program ran from March through June and benefited 'two neighbors with one dollar.'



*Partnering with our independent agents spreads our charitable giving dollars throughout New England and New York communities, making the most impact to organizations in need.*

### Working in Partnership with our Independent Agents

To extend the reach of our charitable giving efforts, we partnered with our independent agents to support organizations in need within their own communities. By supporting causes close to the hearts of our agency partners, we saw it as a 'win-win' to spread our charitable giving efforts throughout New England and New York.

**“ On behalf of Chalmers, we want to thank Union Mutual and the generous donation offering. This is a huge opportunity for all of us to do what we can to help as many organizations that we can during these challenging times.**

- JIM CHALMERS,  
CHALMERS INSURANCE GROUP





Johnna Palmer of the Anatriello Agency presents a series of charitable donations from Union Mutual on behalf of her agency to three organizations within the Ravena-Coeymans-Selkirk district in New York: From left, the RCS Community Library, RCS Central School District, and the STARS Intergen Program within the school district.



Union Mutual employees continued the tradition of a school supply drive, donating primarily via online purchases to the Rutland Intermediate School in 2020.



Employees participated in #AngelsforAthletes to benefit Special Olympics Vermont.

### Establishing the MEND Fund

The Company was a founding member of the Montpelier Economic Need and Distress (MEND) Fund which was created to provide grants for small businesses impacted by COVID-19 shut-downs. Collectively, in partnership with other Montpelier-based corporate and individual donors, the MEND Fund contributed over \$200,000 in funding to 74 businesses.

**“ [Our] adjuster was quick to come out even amidst the COVID-19 pandemic, and everything went smoothly. I was pleasantly surprised with the whole process. ”**

- RESPONSE FROM A CLAIMS SATISFACTION SURVEY

### Supporting Special Olympics Vermont

Continuing our support of the Special Olympics Vermont organization in 2021 meant transitioning to virtual events and fundraising. We are incredibly proud of our “Union Mutual Popsicles” who raised over \$65,000 to benefit the organization. In lieu of the traditional jump in Lake Champlain, the Popsicles created an #AngelsforAthletes campaign donning their best summer attire and creative costumes to ‘plunge’ into the snow. Scan the code or visit our website [www.unionmutual.com/about/news](http://www.unionmutual.com/about/news) to view our video!



## UNION MUTUAL FIRE INSURANCE COMPANY & NEW ENGLAND GUARANTY INSURANCE COMPANY

139 State Street, P.O. Box 158, Montpelier, VT 05601-0158 • (802) 223-5261 • [unionmutual.com](http://unionmutual.com)

### OFFICERS

**Lisa L. Keysar**  
*President and Chief Executive Officer*

**Jennifer P. Galfetti**  
*Chief Financial Officer, Treasurer,  
and Corporate Secretary*

**Sarah R. Jarvis, Esq.**  
*Vice President and General Counsel*

**Gary H. Ouellette**  
*Executive Vice President*

### BOARD OF DIRECTORS

**Betsy Bishop**  
*President, Vermont  
Chamber of Commerce*

**Kathleen H. Davis**  
*Partner, Downs Rachlin  
Martin, PLLC, and  
Vice Chair*

**James H. Douglas**  
*Executive in Residence –  
Middlebury College and  
Governor of VT (2003-2011)*

**John H. Fitzhugh**  
*Former President and  
CEO, Union Mutual,  
and Chairman*

**Lisa L. Keysar**  
*President and CEO,  
Union Mutual*

**Aaron R. MacAskill**  
*Former Managing  
Partner and CPA,  
A.M. Peisch and  
Company, LLP*

**Thomas H. MacLeay**  
*Lead Independent  
Director, National  
Life Group*

**Mary W. Marchut**  
*Retired Vice President,  
Treaty Account  
Executive, General  
Reinsurance Company*

**Robert D. Miller**  
*CEO, Vermont State  
Employees Credit Union  
(VSECU)*

**Mark S. Young**  
*President, The First  
National Bank of Orwell*

## COMMUNITY MUTUAL INSURANCE COMPANY

22 Century Hill Drive, Suite 103, Latham, NY 12110 • (800) 300-5261 • [communitymutual.com](http://communitymutual.com)

### OFFICERS

**Lisa L. Keysar**  
*Chief Executive Officer*

**Jennifer P. Galfetti**  
*Treasurer*

**Sarah R. Jarvis, Esq.**  
*Corporate Secretary*

### BOARD OF DIRECTORS

**David W. Becker**  
*Owner, Becker's Farm*

**Mona S. DeMay**  
*Retired Chief of Staff  
to the NYS Democratic  
Senate Leader*

**Jennifer P. Galfetti**  
*Chief Financial Officer and  
Treasurer, Union Mutual*

**P. Baird Joslin, Jr.**  
*Partner, O'Connor,  
O'Connor, Bresee,  
First, PC*

**Lisa L. Keysar**  
*President and CEO,  
Union Mutual, and  
Chairwoman*

**Gary H. Ouellette**  
*Executive Vice President,  
Union Mutual*

**Schuyler M. Ryan**  
*Assistant Vice President,  
Finance, Union Mutual*



# UNION MUTUAL

*Live life well protected*



[UNIONMUTUAL.COM](http://UNIONMUTUAL.COM)