ANNUAL REPORT

2019







Total in-force policy count increased to just under 175,000, with the addition of approximately \$36 million in new business, driving an 8.9% increase in premium across all states and lines of business. These results demonstrate continued policyholder and agent confidence in the strength, stability and future direction of our company.

Surplus grew to yet another all-time high of over \$355 million, as we benefited from positive market swings while we worked strategically to rebalance our holdings into a more conservative portfolio. This philosophy, coupled with the results experienced, provide us with the financial capacity to both grow and manage any unanticipated future events that may occur.

I am also happy to share that AM Best increased the financial strength rating for The Concord Group from "A" with a "stable" outlook to "A" with a "positive" outlook, demonstrating a consistent upward trend over the past few years from the rating agency.

Our affiliation with the Auto-Owners Insurance Group continued to grow and develop substantially throughout the year, as much of our actuarial and data analytic services were moved to Auto-Owners' Lansing, Michigan operation. This was one of the primary drivers of the affiliation and our successful integration in this area is evidenced by the ever-improving profitability of our organization. In addition, we continued to expand our Life and Commercial Insurance offerings, and launched a new company logo, website and social media presence, with assistance from various divisions within the Auto-Owners organization.

Continued on • • •

Significant operational changes were made in our Marketing and Underwriting areas to efficiently manage and sustain the continued profitable growth we have been experiencing for several years. Adding a layer of Field Management, expanding corporate marketing and redeploying underwriters on a state-level basis are only a few examples of the changes we have implemented to better support the needs of our agents and policyholders, and continue to provide industry-leading service levels.

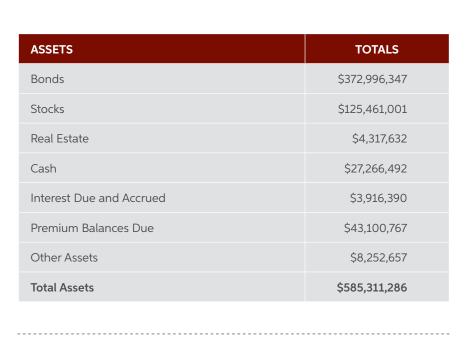
On an exciting note, we expanded our Massachusetts operation, with the opening of a fully staffed branch office in Westborough. Given the growth we have been experiencing and future opportunity that exists for us in the state, the timing was right to establish a physical presence there. Unlike other branches that primarily house Claims personnel, our Massachusetts branch is home to associates in Claims, Personal and Commercial Underwriting, Marketing and Support Services. We look forward to many years of growth and integration in the Commonwealth.

Finally, a cornerstone of our culture here at The Concord Group is helping those who are less fortunate than ourselves within the communities where we live and work. I would like to once again take a moment to recognize the commitment to altruism that our employees regularly make through their contributions, both financial and in personal time, especially during the holidays. A wide range of charitable organizations are supported throughout Northern New England and Massachusetts, including the United Way, the New Hampshire Historical Society, and a plethora of food banks and family support services. I am grateful for the "giving hearts" of our employees.

A sincere thank you to all of our employees and independent agents who worked so hard for our success throughout the year, as well as to our directors and policyholders for their steadfast support. I look forward to continued success, challenge and opportunity in 2020.





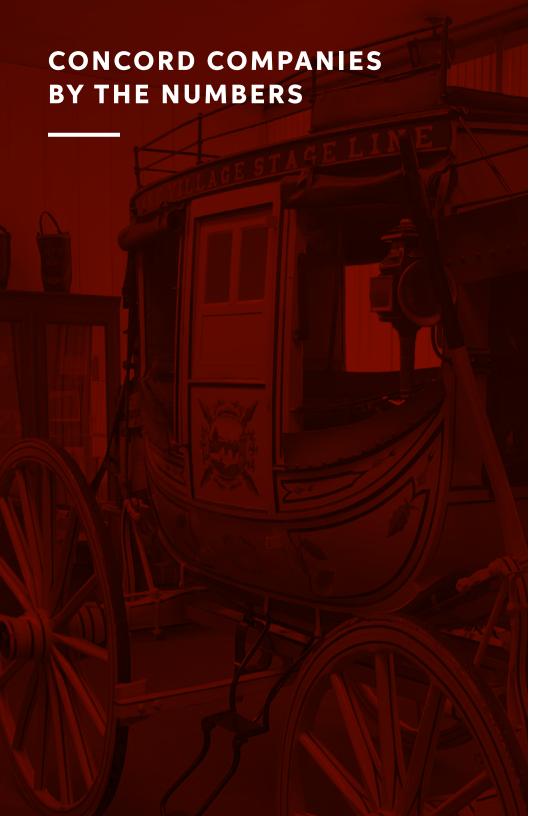


LIABILITIES	TOTALS
Reserve for Losses and Expenses	\$52,837,852
Reserve Unearned Premiums	\$106,918,251
Other Liabilities	\$60,751,720
Total Liabilities	\$220,507,823

SURPLUS	TOTALS
Unassigned Surplus	\$364,803,463
Total Liabilities and Surplus	\$585,311,286

CONCORD GROUP

BY THE NUMBERS



ASSETS	TOTALS
Bonds	\$329,820,398
Stocks	\$142,524,857
Real Estate	\$4,317,632
Cash	\$23,305,931
Interest Due and Accrued	\$3,480,026
Premium Balances Due	\$43,100,767
Other Assets	\$27,895,793
Total Assets	\$574,445,404

LIABILITIES	TOTALS
Reserve for Losses and Expenses	\$52,837,852
Reserve Unearned Premiums	\$106,918,251
Other Liabilities	\$58,957,349
Total Liabilities	\$218,713,452

SURPLUS	TOTALS
Unassigned Surplus	\$355,731,952
Total Liabilities & Surplus	\$574,445,404

ASSETS	TOTALS
Bonds	\$10,038,243
Stocks	\$3,770,696
Cash	\$1,221,811
Other Invested Assets	\$182,321
Interest Due and Accrued	\$121,388
Total Assets	\$15,334,459

LIABILITIES	TOTALS
Tax Liability	\$789,591
Other Liabilities	\$8,486
Total Liabilities	\$798,077

CAPITAL & SURPLUS	TOTALS
Capital, Paid In & Contributed Surplus	\$2,750,000
Unassigned Surplus	\$11,786,382
Total Liabilities & Surplus	\$15,334,459

ASSETS	TOTALS
Bonds	\$11,381,402
Stocks	\$1,615,761
Cash	\$978,967
Other Invested Assets	\$223,548
Interest Due and Accrued	\$106,960
Total Assets	\$14,306,638

LIABILITIES, SURPLUS & OTHER FUNDS	TOTALS
Liabilities	\$223,626
Surplus Note	\$10,600,000
Unassigned Surplus	\$3,483,012
Total Liabilities & Surplus	\$14,306,638

SUNAPEE MUTUAL FIRE INSURANCE COMPANY -

ASSETS	TOTALS
Bonds	\$11,313,587
Stocks	\$2,681,738
Cash	\$754,128
Other Invested Assets	\$211,322
Interest Due and Accrued	\$108,921
Total Assets	\$15,069,696

LIABILITIES	TOTALS
Tax Liability	\$372,372
Other Liabilities	\$8,825
Total Liabilities	\$381,197

SURPLUS	TOTALS
Surplus Note	\$9,100,000
Unassigned Surplus	\$5,588,499
Total Liabilities & Surplus	\$15,069,696

VERMONT ACCIDENT INSURANCE COMPANY, INC —

ASSETS	TOTALS	
Bonds	\$10,442,718	
Stocks	\$5,798,046	
Cash	\$1,005,655	
Interest Due and Accrued	\$99,095	
Total Assets	\$17,345,514	

LIABILITIES	TOTALS
Tax Liability	\$942,703
Other Liabilities	\$9,095
Total Liabilities	\$951,798

CAPITAL & SURPLUS	TOTALS
Capital, Paid In & Contributed Surplus	\$8,400,000
Unassigned Surplus	\$7,993,716
Total Liabilities & Surplus	\$17,345,514



Board Members

Linda J. Day

Lori A. McAllister

Daniel L. McCabe

Warren C. McLean, Jr.

Carolyn D. Muller

Michael P. Nolin, Jr.

Gordon A. Rehnborg, Jr.

Theodore W. Reinbold

Jeffrey S. Tagsold

Daniel J. Thelen

William F. Woodbury

Company Officers

Jeffrey S. Tagsold Chairman of the Board

Daniel L. McCabe
President & Chief Executive Officer

Michael P. Nolin Senior Vice President & Chief Operating Officer

Kevin M. Ferreri Vice President - Marketing & Sales

Amy M. Kezar

Vice President – Information Technology

Michael W. Percy Vice President - Claims

Bruce W. Sorette Vice President & Treasurer

Anthony L. Sychtysz

Vice President – Commercial Lines Underwriting

William F. Woodbury Corporate Secretary

John S. Fournier
Assistant Vice President – Facilities

