COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

REPORT OF EXAMINATION OF THE

QUINCY MUTUAL FIRE INSURANCE COMPANY

Quincy, Massachusetts

As of December 31, 2024

NAIC GROUP CODE 1275

NAIC COMPANY CODE 15067

EMPLOYER ID NUMBER 04-1752900

QUINCY MUTUAL FIRE INSURANCE COMPANY

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COMMONWEALTH OF MASSACHUSETTS
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May 29, 2026

The Honorable Michael T. Caljouw
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
One Federal Street
7th Floor, Suite 700
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Honorable Commissioner:

Pursuant to your instructions and in accordance with Massachusetts General Laws, Chapter 175, Section 4, and other applicable statutes, an examination has been made of the financial condition and affairs of

QUINCY MUTUAL FIRE INSURANCE COMPANY

at its home office located at 57 Washington Street, Quincy, Massachusetts 02169. The following report thereon is respectfully submitted.

SCOPE OF EXAMINATION

Quincy Mutual Fire Insurance Company ("Company" or “QMFIC”) was last examined as of December 31, 2019 by the Commonwealth of Massachusetts Division of Insurance (“Division”). The current multi-state Coordinated Group Examination was also conducted by the Division and covers the five-year period from January 1, 2020 through December 31, 2024, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

Concurrent with this examination, the following insurance affiliate in the Quincy Mutual Group (“Group”) was also examined and separate Report of Examination has been issued:

New England Mutual Insurance Company (“NEMIC”)

The examination was conducted in accordance with standards and procedures established by the National Association of Insurance Commissioners (“NAIC”) Financial Condition (E) Committee and prescribed by the current NAIC *Financial Condition Examiners Handbook* (“Handbook”), the examination standards of the Division and with Massachusetts General Laws. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify current and prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, as mentioned in the Massachusetts General Laws, Chapter 175, Section 4, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

The Company is audited annually by PricewaterhouseCoopers LLP, an independent certified public accounting firm. The firm expressed unqualified opinions on the Company’s financial statements for calendar years 2020 through 2024. A review and use of the Certified Public Accountants’ work papers was made to the extent deemed appropriate and effective.

Representatives from the firm of Risk & Regulatory Consulting, LLC (“RRC”) were retained by the Division to assist in the examination by performing certain examination procedures at the direction of and under the overall management of the Division’s examination staff. The assistance included a review of accounting records, information systems and information technology general controls ("ITGC's"), investments and actuarially determined loss and loss adjustment expense reserves, as well as other significant actuarial estimates of the Company as of December 31, 2024.

This coordinated group financial examination of three licensed domestics was conducted in compliance with the Coordination of Holding Company Group Exams framework of the Handbook. The following participating states coordinated with the Division to conduct its examination:

Maine Bureau of Insurance (1 licensed domestic)

SUMMARY OF SIGNIFICANT FINDINGS OF FACT

There were no significant findings during the previous examination and there are no significant findings related to the current examination.

COMPANY HISTORY

The Company was organized under the laws of the Commonwealth of Massachusetts on March 22, 1851 and commenced business on May 1, 1851. As a licensed property and casualty insurance company, the Company writes personal and commercial insurance through a network of independent agents. On October 12, 2012, the Company formed Quincy Mutual Group, Inc., an administrative services company 95% owned by the Company and 5% owned by New England Mutual Insurance Company. Limited liability companies ("LLC's") were formed before and during the five-year period and contain various real estate and other holdings. All of these LLC's are listed on the organization chart within this report of examination.

Dividends to Policyholders

During the exam period, the Company did not pay dividends to its policyholders.

MANAGEMENT AND CONTROL

Board of Directors Minutes

The minutes of meetings of the Board of Directors ("Board") and its Committees for the period under examination were read and they indicated that all meetings were held in accordance with the Company's bylaws and the Laws of the Commonwealth of Massachusetts. Activities of the Committees were ratified at the meetings of the Board.

Articles of Organization and Bylaws

The Company's Articles of Organization ("Articles") and bylaws were reviewed and there were no amendments to the Articles or bylaws during the examination period.

Annual Meeting of the Policyholder

In accordance with the bylaws, the annual meeting of the policyholder is held on the first Wednesday of February in each calendar year. Minutes of policyholder meetings were reviewed for the period covered by this examination and all meetings were held in accordance with the Company's bylaws.

Board of Directors

According to the bylaws, the Company's business shall be managed by a Board which may exercise all of the powers of the Company, except as otherwise provided by the Articles or bylaws. The Board shall consist of not less than seven nor more than twelve Directors.

At December 31, 2024, the Company's Board was comprised of eight Directors, five of whom are independent, as follows:

Name	Title
Karl D. Briggs	Executive Chairman (former Chief Executive Officer), QMFIC
Thomas A. Harris	President & Chief Executive Officer, QMFIC
Kevin M. Meskell	Retired Executive Vice President, QMFIC
Katherine A. Hesse	Senior Partner, Murphy, Hesse, Toomey & Lehane, LLP
Alexander G. Clark	Retired President & Chief Executive Officer, The Vulcan Company, Inc.
Daniel R. DeMarco	Partner, Campanelli Companies
Katherine B. Coster	Board Chair Gorham Savings Bank
Craig P. Russ	Retired Vice President & Managing Director Eaton Vance Management

*Susannah M. Swihart, Retired Vice Chairman & Chief Financial Officer, BankBoston became a new member of the Board.

Committees of the QMFIC Board of Directors

During the period covered by this examination and in accordance with the Company's bylaws, the QMFIC Board may also elect or appoint, with no requirement that those so elected or appointed be members of the Board, one or more Vice Presidents, Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other Officers and such other committees as they deem necessary or convenient for carrying on the business of the Company and delegate any or all of the powers granted to the QMFIC Board by law and QMFIC bylaws. Many aspects of corporate governance for the Group as a whole are handled by Committees of QMFIC.

As of December 31, 2024, standing committees of the QMFIC Board include an Audit Committee, Investment Committee, and Executive Committee. In addition, the QMFIC Audit Committee is the designated Audit Committee for the Group. These QMFIC committees serve the Company in a governance perspective and are responsible for the approval of entity level decisions, investment strategies and transactions, and compensation matters.

A list of members serving on the Company's Committees as of December 31, 2024 is as follows:

Audit Committee	**Investment Committee**	**Executive Committee**
Katherine B. Coster	Alexander G. Clark	Alexander G. Clark*
Katherine A. Hesse*	Katherine B. Coster	Daniel R. DeMarco
Daniel R. DeMarco	Craig P. Russ*	Craig P. Russ
	Karl D. Briggs	Karl D. Briggs
	Thomas A. Harris	Thomas A. Harris

*Committee Chair

Officers

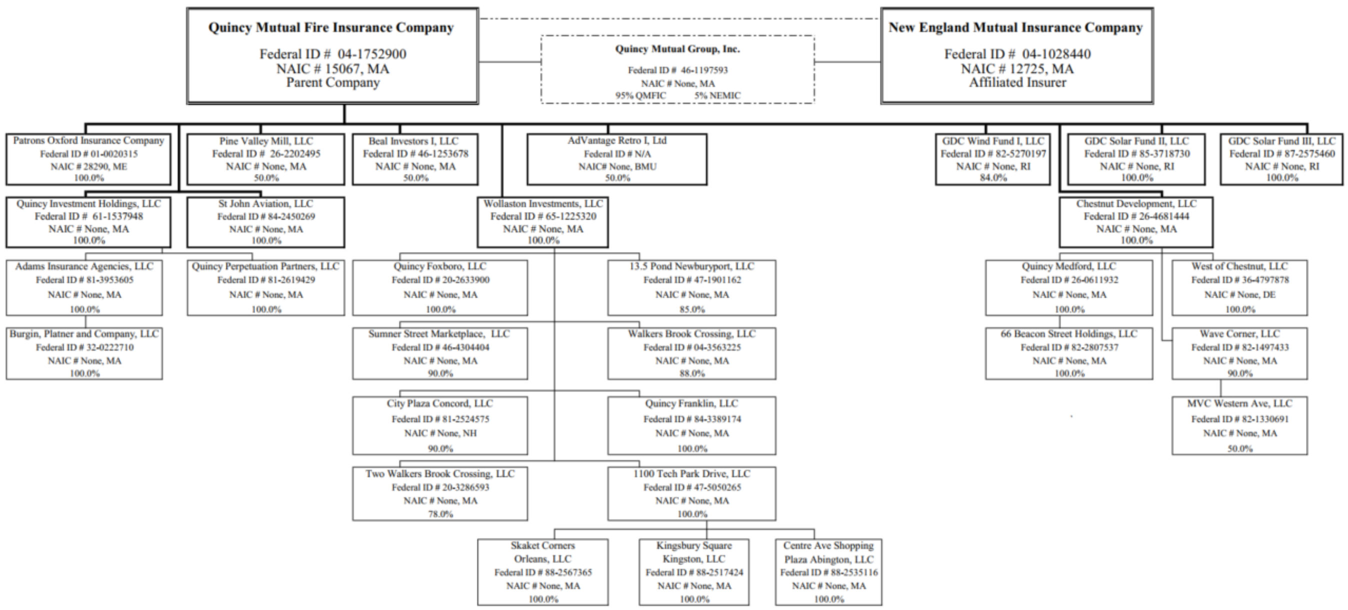
According to the Company's bylaws, the President shall be the chief executive officer, unless the Chairman of the Board has been designated for such office by vote of the Board, and shall exercise all duties of a chief executive officer and be in overall charge of the business and financial affairs of the Company. The President may delegate some or all of these duties to the Vice Presidents or other Officers, as he/she deems appropriate to the conduct of the business of the Company. The officers of the Company as of December 31, 2024 were as follows:

Officer	Title
Karl D. Briggs	Executive Chairman
Thomas A. Harris	President & Chief Executive Officer
Joseph B. White	Senior Vice President, Secretary & General Counsel
Lisa Marie Schooley*	Vice President, Finance & Treasurer
Brian T. Hayes	Senior Vice President & Chief Underwriting Officer
Todd W. Lehmann	Vice President & Chief Actuary
Mark A. Giuliani**	Vice President
Ann F. Lamson	Vice President
Gregory D. Stipkovich	Vice President

* Lisa Schooley retired during the first quarter of 2025, and Michael E. Siedlecki was appointed as an Officer.
** Mark A. Giuliani retired during the fourth quarter of 2025, and Shashi Ayachitam was appointed as an Officer.

Organizational Chart

The following is an organizational chart as of December 31, 2024 depicting the Company's relationships:



Affiliated Companies

As stated in the Insurance Holding Company System Form B and Form C as filed with the Division, the Company is a member of a holding company system and is subject to the registration requirements of Massachusetts General Laws, Chapter 175, Section 206C and 211 CMR 7.00. The Company is the ultimate controlling party of the group consisting of thirty-three entities, including three insurance and thirty non-insurance entities.

Transactions and Agreements with Affiliates

Administration and Management Services Agreements

The Company provides certain accounting, management and other services to its subsidiary, Patrons Oxford Insurance Company ("POIC"), and to its affiliate, NEMIC. In consideration of such services, POIC and NEMIC agreed to pay the costs and expenses of such services.

Management Services Agreement

Effective January 1, 2013 the Company, along with its affiliate, NEMIC, entered into a management services agreement with its non-insurance subsidiary, Quincy Mutual Group, Inc. All the Company's former employees now reside at Quincy Mutual Group, Inc., and perform services for the affiliates with the costs and expenses being reimbursed by the entities.

Tax Sharing Agreement

The Company participates in a written tax allocation agreement with its eligible subsidiaries and affiliates. As an affiliated and controlled (but legally separate) mutual company, NEMIC is the only member of the insurance holding company system not covered by this agreement. The allocation method is based upon the respective tax liability of each member combined as if a separate return were filed in accordance with the Internal Revenue Code. Inter-company tax balances are settled annually in the fourth quarter.

TERRITORY AND PLAN OF OPERATION

The Company currently is licensed to conduct business in the following states: Massachusetts, Rhode Island, Connecticut, New York, New Hampshire, Pennsylvania, Maine, Maryland, and New Jersey; however it does not actively write business in these latter five jurisdictions. The Company's Certificate of Authority is current and in force.

The Company's principal lines of business are the insurance of personal and commercial risks provided through its appointed independent agents.

Treatment of Policyholders – Market Conduct

During the course of the examination, a general review was made of the manner in which the Company conducts its business practices and fulfills its contractual obligations to policyholders and claimants. This review was limited in nature and was substantially narrower than a full scope market conduct examination. During the claims test work, no issues were noted in the Company's investigation and settlement of claims.

REINSURANCE

Assumed Reinsurance

Effective January 1, 2013, POIC, the Company's wholly-owned subsidiary, executed a 100% quota-share reinsurance agreement to cede its business to the Company. Effective July 1, 2015, the Company and NEMIC entered into a Quota Share Reinsurance Contract, which provides 100% quota share protection to NEMIC subject to a 200% loss ratio cap.

In addition, the Company assumes certain risks from various business partners and voluntary pools with exposure worldwide.

Ceded Reinsurance

The Company has entered into various quota-share, excess of loss, and catastrophe treaties in the ordinary course of business in order to manage their various risks.

Involuntary Pools and Associations

The Company is a participant in various mandatory pools and associations as a requirement of doing business in various states, including Commonwealth Automobile Reinsurers, and the Massachusetts, Rhode Island, New York, and Connecticut FAIR Plans.

FINANCIAL STATEMENTS

The following financial exhibits are based on the statutory financial statements prepared by management and filed by the Company with the Division and present the financial condition of the Company for the period ending December 31, 2024. The financial statements are the responsibility of Company management.

Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2024

Statement of Income for the Year Ended December 31, 2024

Reconciliation of Capital and Surplus for Each Year in the Five-Year Period Ended December 31, 2024

Quincy Mutual Fire Insurance Company

Statement of Assets, Liabilities, Surplus and Other Funds
as of December 31, 2024

ADMITTED ASSETS	Per Annual Statement
Bonds	$ 1,016,281,232
Common stocks	707,019,091
Mortgage loans on real estate – first liens	23,940,243
Real Estate:	
Properties occupied by the company	4,148,360
Properties held for the production of income	9,059,322
Cash, cash equivalents and short-term investments	114,413,188
Other invested assets	553,548,936
Receivables for securities	198,361
Subtotals, cash and invested assets	2,428,608,733
Investment income due and accrued	9,460,873
Premiums and considerations:	
Uncollected premiums and agents' balances	48,519,398
Deferred premiums, agents' balances and installments booked but deferred and not yet due	132,227,836
Reinsurance:	
Amounts recoverable from reinsurers	1,091,413
Funds held by or deposited with reinsured companies	34,864,730
Current federal and foreign income tax recoverable and interest thereon	259,615
Receivables from parent, subsidiaries and affiliates	2,712,942
Aggregate write-ins for other than invested assets	6,540,609
TOTAL ADMITTED ASSETS	**$ 2,664,286,149**
LIABILITIES	
Losses	$ 454,697,888
Reinsurance payable on paid losses and loss adjustment expenses	14,751,567
Loss adjustment expenses	36,410,426
Commissions payable, contingent commissions and other similar charges	15,823,702
Other expenses (excluding taxes, licenses and fees)	13,365,201
Taxes, licenses and fees (excluding federal and foreign income taxes)	642,279
Current federal and foreign income taxes	9,500,000
Net deferred tax liability	97,005,133
Borrowed money	28,540,786
Unearned premiums	291,355,252
Advance premium	5,736,516
Ceded reinsurance premiums payable (net of ceding commissions)	3,677,907
Amounts withheld or retained by company for account of others	34,115,405
Provision for reinsurance	11,999
Aggregate write-ins for liabilities	7,187,591
Total Liabilities	1,012,821,652
Unassigned funds (surplus)	1,651,464,497
Surplus as regards policyholders	1,651,464,497
TOTAL LIABILITIES, SURPLUS AND OTHER FUNDS	**$ 2,664,286,149**

Quincy Mutual Fire Insurance Company

Statement of Income
For the Year Ended December 31, 2024

	Per Annual Statement
Underwriting Income	
Premiums earned	$ 536,723,125
Deductions	
Losses incurred	297,648,537
Loss adjustment expenses incurred	37,754,403
Other underwriting expenses incurred	206,700,799
Total underwriting deductions	542,103,739
Net underwriting loss	(5,380,614)
Investment Income	
Net investment income earned	54,416,649
Net realized capital gains, less capital gains tax	4,358,410
Net investment gain	58,775,059
Other Income	
Net loss from agents' or premium balances charged off	(79,238)
Finance and service charges not included in premiums	1,293,544
Total other income	1,214,306
Net income before dividends to policyholders and before all other federal and foreign income taxes	54,608,751
Dividends to policyholders	0
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	54,608,751
Federal and foreign income taxes incurred	14,670,036
Net Income	**$ 39,938,715**

Reconciliation of Capital and Surplus
For Each Year in the Five-Year Period Ended December 31, 2024

	2024	2023	2022	2021	2020
Surplus as regards policyholders, December 31 prior year	$1,537,105,187	$1,440,496,204	$1,490,578,870	$1,296,627,636	$1,234,583,524
Net income	39,938,715	21,367,895	82,819,686	201,025,165	77,747,692
Change in net unrealized capital gains or (losses)	94,438,918	100,222,874	(119,133,740)	1,021,111	11,431,638
Change in net deferred income tax	10,717,194	(1,553,043)	(13,474,767)	766,616	(6,575,977)
Change in nonadmitted assets	(18,743,709)	597,145	(6,933,105)	(23,404,653)	5,217,622
Change in provision for reinsurance	55	(11,354)	13,353	20,323	2,333
Change in surplus notes	(25,000,000)	(25,000,000)	0	0	(25,000,000)
Aggregate write-ins for gains or (losses) in surplus	13,008,137	985,465	6,625,907	14,522,671	(779,197)
Net change in capital and surplus for the year	114,359,310	96,608,983	(50,082,666)	193,951,234	62,044,112
Surplus as regards policyholders, December 31 current year	$1,651,464,497	$1,537,105,187	$1,440,496,204	$1,490,578,870	$1,296,627,636

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There have been no changes made to the financial statements as a result of the examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

As a result of the examination, no significant issues with non-compliance, adverse findings, or material changes to the financial statements were identified.

RRC was retained to assist in the analysis of various actuarially determined items in the 2024 Annual Statement. Given the "risk focused" examination approach of the overall examination, RRC's primary objective was to perform an assessment of reserve risk by performing a qualitative review of the work papers and documentation supporting the estimates of loss and loss adjustment expense liabilities in order to assess the reasonableness of the scope, data used, methodologies and assumptions applied. This review included the analysis prepared by the Company's appointed actuary and review and evaluation of the Company's reconciliation as of December 31, 2024 of the actuarial data to Schedule P.

Based on RRC's analysis and applied examination procedures, RRC determined that the Company's carried Loss and LAE reserves are approximately $9,635 million dollars higher than the Appointed Actuary ("AA") central estimate as of December 31, 2024. In the opinion of RRC, the net loss and loss adjustment expense reserves carried by the Company as of December 31, 2024, make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company.

	Appointed Actuary Estimates ($000's omitted)				
	Low	Indicated	High	Total Carried	Redundancy/ (Deficiency) Vs. Indicated
Net Loss & LAE	$ 472,970	$ 481,473	$ 498,479	$ 491,106	$ 9,633

SUBSEQUENT EVENTS

Current Executive Chairman, Karl D. Briggs, and current President & Chief Executive Officer, Thomas Harris, announced their expected retirement from their current roles at the Company effective no later than February 2027. Mr. Briggs will continue to be Chairman of the Board of Directors and Mr. Harris will continue as a Board Member.

SUMMARY OF RECOMMENDATIONS

There were no significant recommendations noted by the examination team for improvements in processes, activities and/or controls that should be noted in this report.

SIGNATURE PAGE

Acknowledgement is made of the cooperation and courtesies extended by the officers and employees of the Company during the examination.

The assistance rendered by Risk & Regulatory Consulting, LLC and the following Division examiner who participated in this examination hereby is acknowledged:

Guangping Wei, CFE, Examiner III

Robert G. Dynan

____

Robert G. Dynan, CFE
Supervising Examiner
Commonwealth of Massachusetts
Division of Insurance