



PROTECTING YOUR PIECE OF THE WORLD



2025

ANNUAL REPORT



MISSION, VISION, VALUES

In 2025, MMG announced its newly created mission and vision statements. Together with our values, these statements express the Company's purpose, aspirations, and way of doing business.



MISSION

Our mission is to help people prepare for and respond to life's uncertainties.

VISION

Our vision is to be the carrier of choice for our agency partners and those we protect.



VALUES

EXCEPTIONAL EXPERIENCE
TEAMWORK
CONTINUOUS IMPROVEMENT
COMMUNITY ENGAGEMENT
INTEGRITY
FAMILY

We strive to live our values, fulfill our mission, and achieve our vision every day for our policyholders, claimants, agents, business partners, and colleagues.
Learn more!



PRESIDENT & CEO LETTER



Matthew McHatten
PRESIDENT & CEO

TO OUR POLICYHOLDERS, TEAM MEMBERS, AGENTS, AND BUSINESS PARTNERS:

MMG marked a year of progress in attaining our vision of being *Carrier of Choice* for the agents and policyholders we serve. We saw ongoing benefit from decisions made and executed over the last three years to respond to a rapidly evolving insurance marketplace. In 2025, we advanced foundational initiatives to continue building on these positive trends and advance our vision. While there remains work to do, we are achieving a more resilient and capable MMG.

Industry Dynamics and Financial Results

After several historically difficult years particularly in property, 2025 saw our industry begin to return to rate adequacy and improved loss experience. This improvement is evident in the reinsurance market where pricing and terms have improved, and capacity is plentiful. While we are encouraged by these improvements, liability trends remain a significant concern driven by persistent medical inflation and the increasing impact of social inflation.

MMG's financial results mirror these dynamics. As a unique regional insurer, with 54% of our premiums generated by more casualty-heavy commercial lines, we experienced both the tailwinds of improved property results while meeting the headwinds of casualty challenges. In response, we shifted case reserving philosophy to better capture the inflationary pressures in the cost of injury claims. We also made sure we mitigated our exposure to potential development leading to 2026 by aggressively reserving an increased amount of large liability claims we received in the 4th quarter. All told, MMG's combined ratio finished at 101.5 while adding \$7.4 million to our surplus.

Growth reflected stabilizing markets and the end of large rate increases in most products and states. We expected to grow 8.5% with the first half being much stronger than the second. We experienced that dynamic, though with a much more competitive market than expected starting late summer. We were also determined not to aggressively pursue new business while taking needed action to ensure the longer term health of Personal Lines. As a result, we saw an overall growth rate of 5.7%. Within, we were pleased with our Commercial Lines new business results and major improvements in Personal Lines loss ratios.

“We saw ongoing benefit from decisions made and executed over the last three years to respond to a rapidly evolving insurance marketplace.”

Operational Transformation

To say that the world continues to rapidly evolve as it relates to the technology needed to effectively compete would be an understatement! Artificial Intelligence in particular is bringing major gains in productivity and quality. We see AI as a catalyst to lowering the cost of delivery of insurance products and are embracing it while ensuring it is utilized to enhance the human touch that sets MMG apart.

In 2025, we began adapting our operating model to run faster and more efficiently. We revamped corporate priorities and processes for better organizational alignment and reorganized several company functions to maximize resource use, focus on top priorities, and speed up decision-making. As a result, we posted a one year 10% gain in productivity, driven by streamlined operations, simplified workflows, and better talent alignment with high-value activities. In reflecting, this work is relatable to the Wayne Gretsky quote "I skate to where the puck is going to be, not where it has been." "The puck" of our business is moving faster than ever, and it's imperative MMG's operative model is prepared to meet it where it will be.

We also committed to creating a new vision of Personal Lines. In early 2025, we strategized internally and with our agents on how to achieve *Carrier of Choice* in Personal Lines. The work created a clear framework of the capabilities and business requirements needed to compete. Once in hand, we performed an extensive review of technology and data needs. Plans were put forth for a new Personal Lines platform and initiatives to improve data capabilities. The latter is also foundational to harnessing the power of AI. All projects are in motion, and we expect to begin delivering these capabilities and new Personal Lines products throughout 2027.

The People and Partners Critical to Our Success

Team MMG is stronger than ever. The mixture of tenured experience along with 57% of our workforce being Millennial and younger puts us in an enviable position. We also added technical expertise in a number of areas in 2025 including actuarial, analytics, and underwriting operations. While we have introduced more change through MMG than in any other time in our history, our team always rises to the challenge. We expect positive impacts to accelerate in the coming year.

Our agents continue to be incredibly supportive, and they did remarkable work as we navigated the dynamics of the hard market. In addition, the independent agent channel has been under competitive pressure from direct, low-cost insurance providers. Our agents survive and thrive in a very competitive environment because of their knowledge and customer-centric focus. That combination creates adaptation and innovation which will keep them around for a long time! We count these partnerships as one of our greatest advantages.

We appreciate the many Business Partners that help make the MMG engine run. We have some of the best, who not only provide fantastic services but are also great people. Many of these relationships span decades and have been vital to our success. We thank them for their ability to deliver regardless of the assignment or circumstance.

Last, our Board of Directors provides important perspective and insight as we looked to chart a new path forward. We are fortunate to have their expertise and diverse thought as we make challenging decisions to position MMG for future success.

Every step we've taken is with the intention of long-term stability and growth. It is our responsibility to adapt and evolve for both the current and next generation of policyholder, team member, and agent. We look forward to the future and the exciting opportunities it will provide.



MATTHEW MCHATTEN
PRESIDENT & CEO

FINANCIALS

Comparative Balance Sheet

Admitted Assets	December 31, 2025	December 31, 2024
Total Admitted Assets	\$446,677,490	\$432,069,860

Liabilities	December 31, 2025	December 31, 2024
Total Liabilities	\$292,283,148	\$285,080,714
Policyholder Surplus	\$154,394,342	\$146,989,146
Total Liabilities and Surplus	\$446,677,490	\$432,069,860

Two-Year Income Statement

	December 31, 2025	December 31, 2024
Underwriting Gain / (Loss)	\$(6,089,241)	\$(12,632,791)
Net Investment Income	\$9,096,870	\$13,696,796
Total Other Income	\$492,803	\$(48,786)
Net Income Before Income Taxes	\$3,500,432	\$1,015,219
Net Income	\$2,944,045	\$1,526,722
Change in Surplus	\$7,405,196	\$9,078,351
Surplus End of Period	\$154,394,342	\$146,989,146

Comparative Results

	Written Premium	Policyholder Surplus	Admitted Assets	Combined Ratio
2025	317,339,262	154,394,342	446,677,490	101.53%
2024	300,246,696	146,989,146	432,069,860	103.11%
2023	270,562,468	137,910,795	372,470,270	110.15%
2022	246,560,559	152,927,385	365,419,712	99.44%
2021	231,233,541	156,783,167	362,516,905	98.18%
2020	219,837,209	143,397,217	333,381,721	93.64%
2019	210,940,835	129,637,215	313,512,006	95.84%
2018	201,463,139	108,701,302	291,003,931	98.71%
2017	193,408,226	99,302,124	276,645,456	101.97%
2016	184,850,895	97,435,995	262,103,546	101.63%

COMMUNITY ENGAGEMENT

One of MMG's core values is community engagement, and the Company upholds that value in many ways. From financially supporting charitable causes to encouraging team members to get involved and offering them opportunities to do so, MMG believes in investing in the places where we live and work.

\$2.4 MILLION DONATED IN LAST DECADE



FOCUS ON HEALTH & WELLNESS, EDUCATION, AND ECONOMIC DEVELOPMENT



200+ ORGANIZATIONS SUPPORTED IN 2025

VOLUNTEER OF THE YEAR – Chantal Farnham

Chantal Farnham isn't just a leader at MMG Insurance—she's a leader in the community too.

"If I'm passionate about an organization, I always want to do more," said Chantal, MMG's Personal Lines Manager and 2025 Volunteer of the Year. "Wanting to do more seems to often result in leadership roles."



Chantal (right) with Nicole DiVito at Rotary's Purple Pinkie Project to eradicate polio worldwide

Sometimes Chantal has simply seen a need and filled it, like when she became den leader of her son's Cub Scouts pack within a month of him joining the group.

Sometimes there was a more formal process, such as her path to becoming president of the Rotary Club of Presque Isle.

Chantal joined Rotary in 2017 when MMG encouraged employees

to get involved with the club. She quickly became a board member and the youth and literacy committee co-chair. Following that, she was approached about the presidency, which required a three-year commitment.

First, she served two years as co-chair of the club's annual auction. This important fundraiser always requires significant work and coordination; however, the pandemic created additional challenges. Chantal helped reimagine and run the event, ensuring it was a success despite social distancing.

Then came her presidency, which coincided with the club's 100th anniversary and numerous activities marking the occasion.

"Being president during the 100th anniversary was quite an honor," Chantal said. "I was only the 11th female president in those 100 years, so it was extra special. It felt like I was part of local history and showing young women that they can be leaders too."

Helping foster the next generation of female leaders is another passion of Chantal's and why she

became involved with the Olympia Snowe Women's Leadership Institute. This nonprofit focuses on developing leadership skills among high school girls via volunteer advisors.

Each advisor commits to three years with a cohort of students during their sophomore, junior, and senior years. Chantal is just wrapping up her second stint, or sixth year, as an advisor.

"All my students have really grown, but one girl in particular has made just amazing strides with her confidence and participation," Chantal said. "Seeing how far she's come...it hits home for me."

Chantal has also volunteered for the Maine Women's Conference, the University of Maine at Presque Isle Board of Visitors, and Aroostook Relay for Life, a fundraiser for the American Cancer Society.

Not surprisingly, Chantal ended up on the relay's event committee and then as its co-lead. She was also on MMG's employee relay team. Eventually, Chantal and a co-worker founded and ran the Aroostook County Sled Run, a day of snowmobiling, to support the team's fundraising efforts.

Chantal credits MMG with providing her opportunities to get involved and supporting her volunteer work. She sees it as a win-win for herself, the community, and the Company.

"Volunteering lets me meet people, learn new things, have different experiences, and develop my skills," she said. "It's made me a better person and a better leader."



Chantal with students and co-advisor at Olympia Snowe Women's Leadership Institute event in 2025

FEATURED AGENCY – OneDigital

Over the years, Kinney Pike made a name for itself as a trusted independent agency. After joining OneDigital, the Kinney Pike name is no more, but the team remains—upholding the reputation and fundamentals that made the agency such a success.

“We kind of look at ourselves as the Kinney Pike division within OneDigital,” said Justin Barwood. “We are OneDigital, but we still run almost exactly the same now as before. We’re just a bit bigger.”

The company had already been one of the largest independent insurance agencies in Vermont prior to the 2021 acquisition. Now, in addition to six locations in the state, Justin and Peter Werner, along with their three partners—Sandy Delisle, Adam Osha, and Jake Obar—oversee teams across the Northeast.



Peter Werner and Justin Barwood

As it always was, the group’s goal is to be there for their customers. In today’s world, that often means digital communications, but Peter noted that physical offices are just as important as ever.

“It’s part of being in the community, right? To have the sign out front and people know they can come in and pay their bill or talk to a person. That’s who we are,” he said.

Justin added that he, his partners, and their 75 employees strive to bring value-adds to every client.

“We are not just selling them an insurance policy,” Justin said. “We become true business partners with all of our clients. I think that’s resonated over the years and just continues on today.”

As Kinney Pike, the agency offered personal and business insurance, as well as employee benefits and risk management services. As OneDigital, that list has expanded to include financial services, wealth management, HR consulting, and more.



In the property and casualty realm, the team’s dedication to placing risks with the right carrier has never wavered, even when OneDigital’s plan was to write exclusively with national carriers.

“We very quickly said, ‘Whoa, whoa, whoa, we want what’s best for our clients. We want to represent the best markets,’” Justin said. “In a lot of cases, those markets are the super-regionals like MMG. They’re the lifeblood in many areas, so we were able to change OneDigital’s attitude there.”

Both Justin and Peter were at the agency when it was first appointed with MMG about 20 years ago. They recall it being “a perfect fit” from the start given MMG’s great products and exceptional service. As time passed, the two entities conducted more and more business together, forging a lasting partnership.

“Our relationship with MMG is one of our most important on many levels,” Peter said. “It gets better and grows every year as both our organizations evolve.”

Wherever that evolution goes from here, Peter noted one thing is for certain: “We’ll be ready.”

BOARD OF DIRECTORS



Samuel Collins - Chairman

PRESIDENT
S.W. Collins Company
Director Since 2001



Jon Prescott - Vice Chairman

PRESIDENT & CEO
Katahdin Trust Company
Director Since 2005



Matthew McHatten - President

CHIEF EXECUTIVE OFFICER
MMG Insurance
Director Since 2021



Larry Shaw, CPCU

RETIRED PRESIDENT & CEO
MMG Insurance
Director Since 1995



Lisa Ventriss

RETIRED PRESIDENT
Vermont Business Roundtable
Director Since 2000



Donald Perkins, Jr.

RETIRED FOUNDER/CEO
Gulf of Maine Research Institute
Director Since 2005



Kevin McCarthy

RETIRED PRESIDENT & CEO
Unum US
Director Since 2018



Donald Simon, CPCU, ARe, CIA, LLIF

CHIEF EXECUTIVE OFFICER
Farm Bureau Insurance of Michigan
Director Since 2019



Deborah Jordan, CPA

BUSINESS ADVISOR/SOLE PROPRIETOR
Camden Consulting
Director Since 2022



Deanna Sherman

RETIRED PRESIDENT & CEO
Dead River Company
Director Since 2022



Zachary Smith

CHIEF OPERATING OFFICER & OWNER
Smith's Farm
Director Since 2023

LEADERSHIP TEAM



Matthew McHatten
PRESIDENT &
CHIEF EXECUTIVE OFFICER



Kendra Coates, CPA
SENIOR VICE PRESIDENT
CHIEF FINANCIAL OFFICER
TREASURER, SECRETARY, & CLERK



Stacy Shaw
SENIOR VICE PRESIDENT
CHIEF INFORMATION OFFICER



Corey Graham, AIC, LPCS, CSPO
VICE PRESIDENT
Claims



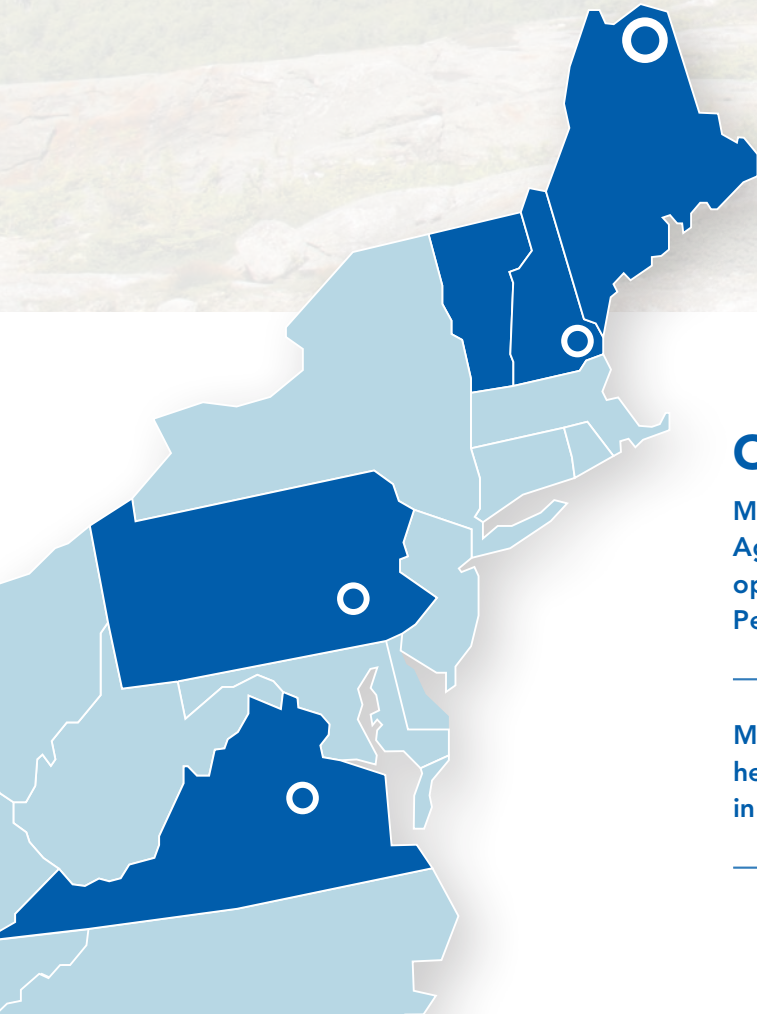
Derek Hochradel
VICE PRESIDENT
Underwriting



Julia Kladder, MBA, OLY
VICE PRESIDENT
Transformation



Kayla O'Malley Dill, CIC, AIC
VICE PRESIDENT
Marketing & Business Development



OPERATIONAL FOOTPRINT

MMG Insurance proudly supports the Independent Agency distribution system throughout its five-state operational footprint of Maine, New Hampshire, Pennsylvania, Vermont, and Virginia.

MMG has corporate offices in four locations:
headquarters in Presque Isle, ME; regional operations
in Portsmouth, NH; Lancaster, PA; and Richmond, VA.

IN REMEMBRANCE

John Cashwell

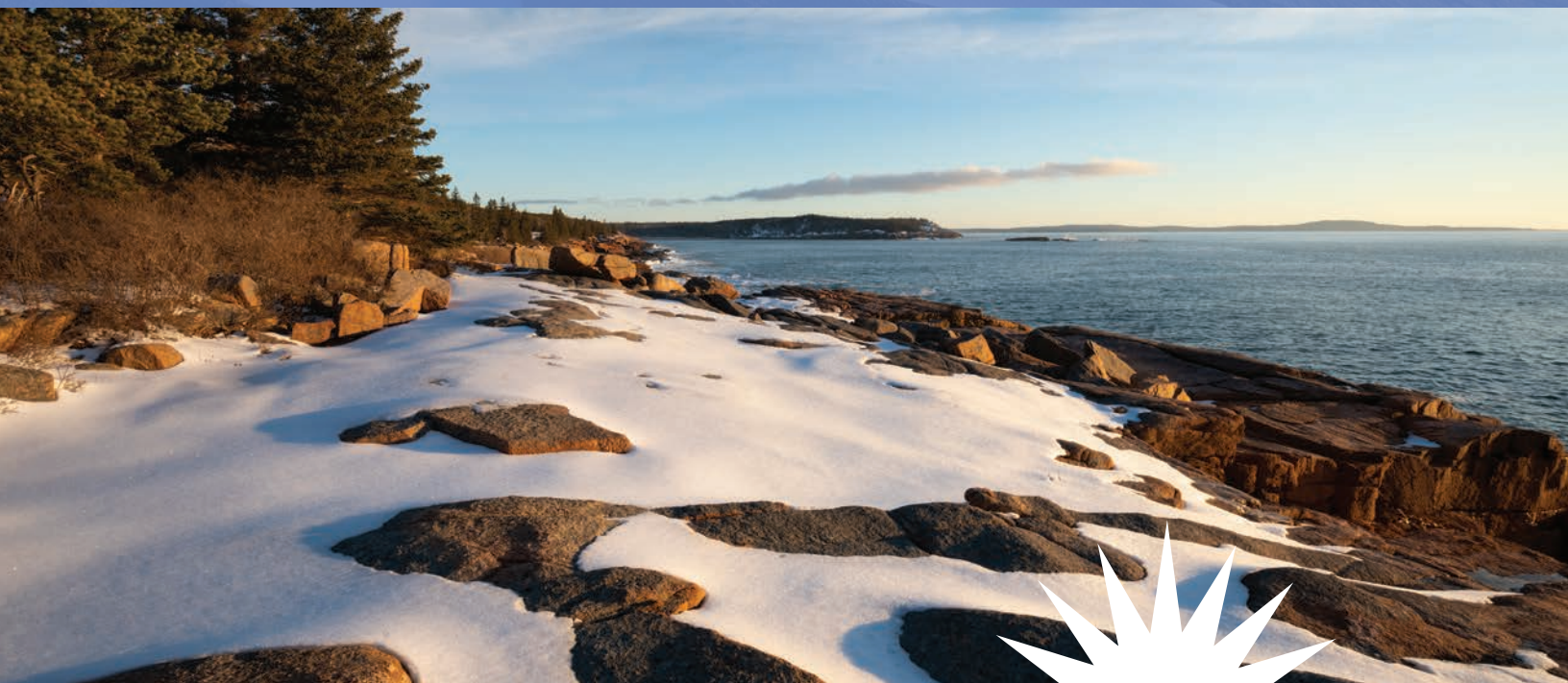


John Cashwell served on MMG Insurance's Board of Directors from 1997 to 2019 and was Chairman from 2011 to 2017. He brought a wealth of knowledge and insight to the Board, helping steer the Company's growth and advancement for 22 years. John was an influential business leader with a long career in the forestry industry, as well as a highly decorated U.S. Army veteran who served two tours in Vietnam. His zest for life, warm personality, and commitment to doing what needed to be done will be long remembered at MMG.

Mike MacPherson



Mike MacPherson joined MMG Insurance's Board of Directors in 1997 and served 24 years before retiring in 2021. During his tenure, he held the positions of Vice Chairman from 2011 to 2017 and Chairman from 2017 to 2021. His leadership and dedication to MMG not only contributed to the Company's success then but also positioned it well for the future. Mike was an industrious business owner, a civic-minded community leader, and a distinguished U.S. Army veteran. He is remembered fondly as a friend, colleague, and valued part of MMG's history.





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