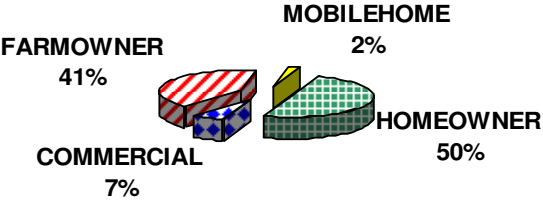


STATEMENT OF OPERATIONS
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
UNDERWRITING INCOME		
Gross Premium Earned.....	\$2,123,465.76	\$2,124,579.52
Less: Reinsurance Premiums.....	<u>631,824.61</u>	<u>652,685.10</u>
Net Premium Earned.....	1,491,641.15	1,471,894.42
LOSSES INCURRED		
Gross Losses Incurred.....	1,566,259.04	1,037,367.09
Less: Reinsurance Recoveries.....	<u>819,867.85</u>	<u>383,647.88</u>
Net Losses Incurred.....	746,391.19	653,719.21
OPERATING EXPENSES		
Loss Adjusting.....	57,274.88	49,236.94
Agents Commissions.....	282,224.49	298,465.12
130th Anniversary.....	350.90	0
Advertising.....	25,285.22	18,439.71
Trade Association Dues.....	10,773.00	10,555.83
Salaries.....	234,762.50	215,476.28
Payroll Taxes.....	20,117.62	19,010.83
Pension Expense.....	17,786.34	16,685.31
Health Insurance.....	26,278.17	37,409.65
Insurance.....	11,799.44	11,527.08
Directors' Fees and Expenses.....	19,504.06	15,713.06
Depreciation.....	34,855.48	43,723.70
Printing and Forms.....	2,289.00	4,349.10
Communications.....	18,209.74	17,303.60
Legal and Auditing.....	25,929.60	22,304.00
Property Taxes.....	5,165.30	5,121.79
Investment Expenses.....	14,834.45	14,075.79
Office Maintenance and Supplies.....	36,678.99	25,000.60
Meetings and Education.....	3,202.41	1,572.89
Fire Department Dues.....	12,203.00	14,413.00
Utilities.....	4,421.45	4,155.63
Total Operating Expenses Incurred.....	863,946.04	844,539.91
Total Losses and Operating Expense....	<u>1,610,337.23</u>	<u>1,498,259.12</u>
NET UNDERWRITING INCOME	(118,696.08)	(26,364.70)
INVESTMENT AND OTHER INCOME		
Net Investment Income.....	157,249.17	181,860.56
Policy Fees.....	96,930.00	102,510.00
Other Income.....	<u>65.38</u>	<u>373.34</u>
Net Investment and Other Income.....	254,244.55	284,743.90
Income Before Income Taxes.....	135,548.47	258,379.20
FEDERAL & STATE INCOME TAXES	<u>38,540.00</u>	<u>92,660.00</u>
NET INCOME	<u>\$97,008.47</u>	<u>\$165,719.20</u>

SOURCES OF PREMIUM



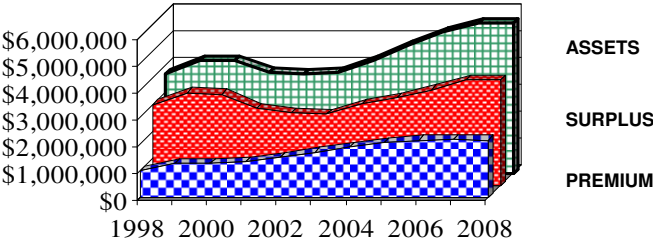
STATEMENT OF ASSETS, LIABILITIES
AND POLICYHOLDERS' SURPLUS

ASSETS	2008	2007
ADMITTED ASSETS		
Cash in Banks and CDs.....	\$210,998.40	\$81,563.38
Corporate and Municipal Bonds.....	2,317,670.60	2,035,923.75
Corporate Stocks.....	2,092,225.24	2,299,819.70
LaSalle Trust—Treasury Money Market	300,566.19	487,473.17
Property.....	214,344.00	221,581.00
Premiums Receivable.....	268,123.00	281,116.00
Investment Income Due or Accrued.....	31,829.00	26,091.00
Reinsurance Recoveries Receivable.....	117.98	44,270.31
Reinsurance Commissions Receivable	6,904.00	13,562.15
Reinsurance Premiums Recoverable.....	<u>7,190.00</u>	<u>.00</u>
Total Admitted Assets	\$5,449,968.41	\$5,491,400.46
LIABILITIES & POLICYHOLDERS' SURPLUS		
LIABILITIES		
Net Unpaid Losses & Adjusting Expense...	\$400,651.86	\$271,586.84
Unearned Premiums.....	964,931.47	971,949.89
Premiums Paid in Advance	17,285.00	15,041.00
Reinsurance Premiums Payable.....	0	8,197.00
Federal Income Tax Payable	21,807.00	27,098.00
State Income Tax Payable	6,170.00	11,939.00
Commissions Payable.....	41,490.00	49,049.00
Accrued Property Tax.....	2,377.00	2,351.00
Deferred Income Tax.....	202,420.00	268,730.00
Other Accrued Expenses.....	<u>7,408.09</u>	<u>10,922.21</u>
Total Liabilities	1,664,540.42	1,636,863.94
POLICYHOLDERS' SURPLUS	<u>3,785,427.99</u>	<u>3,854,536.52</u>
TOTAL LIABILITIES AND SURPLUS	\$5,449,968.41	\$5,491,400.46

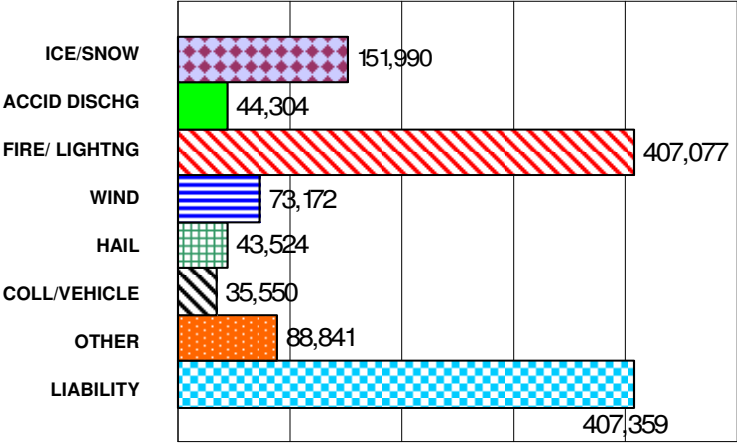
STATEMENT OF CHANGES
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of year	\$3,854,536.52
Change in Deferred Income Taxes	63,362.00
Net Income from Operations and Investments	97,008.47
Change in Non-admitted Assets	9,267.00
Unrealized Capital Gains (Losses)	<u>(238,746.00)</u>
POLICYHOLDERS' SURPLUS END OF YEAR	<u>\$3,785,427.99</u>

FINANCIAL GROWTH



PAID LOSSES BY PERIL



PERSONNEL

Jan Henn, Operations Supervisor
Carla Knorr, Policy Processing Specialist
Nancy Weber, Policy Processing Specialist
Stacy Zelazoski, Policy Processing Specialist
Daniel Peeters, Field Representative
Ronald Heise, Field Representative
Richard Bauer, Advisor to the Board
Howard J. Schwartz, Executive Secretary/Manager

AGENTS

Allen Insurance Agency	Shiocton - Greenville area
Tech Insurance	New London area
Tina Auer	Manawa - Bear Creek area
Wiesler Agency - Tammy Hastings	Hortonville - Dale area
Boll Insurance Group	Waupaca area
Tony Lauer Agency	Stevensville - Larsen area
Angela Baker	Seymour area
Wayne Kindschy	Neenah area
Insurance Service Center	De Pere area
Full Service Insurance	Stevens Point area
The Pitt Agency	Fremont area
The Eastling Agency	Manawa - Iola area
Dave Kohler	Neenah area
Birr Agency	Oconto Falls area
Mark Boll Insurance	Amherst area
Monday Van Handel Agency	Appleton area
Valley Insurance Associates	Appleton - Kaukauna-Oshkosh area
Nenning Insurance	Neenah area
Meyer Insurance Agency	Shawano area
Antigo Insurance	Antigo area
Roxanne Johnson Insurance	Stevens Point area

2008 Management Report

Most people are happy to see 2008 come to a close. Despite being in the midst of a soft, competitive insurance market and an economic recession, our 2008 results were basically stable. Our earned premium and surplus remained relatively stable. Despite a drop in the stock market and challenges in the bond market, our assets were also stable.

Unfortunately, we paid 20% of our premium in fire/lightning losses. Although down slightly from 2007, fires continue to be one of our most expensive perils. The weather was good to us in some regards and not in others. The winter brought numerous ice dam and weight of ice and snow claims totaling almost \$152,000. Most of our customers escaped the hail but there was over \$43,000 paid in claims.

Liability claims continue to be a major concern. We paid over \$407,000 in liability claims in 2008, although down from 2007, still costing almost all of the liability premium collected (\$409,525). This reinforces the need for an umbrella liability policy which we now offer. Juries continue to award higher and higher judgments. Safety needs to be our priority, especially with the use of farm machinery, care of dogs and home maintenance.

We continue to proudly provide northeastern Wisconsin with prompt, local and personal service that is only a phone call away.

Please join us on Saturday, March 14, 2009 at noon for lunch, followed by the review of 2008 business and the election of three directors to guide your company in the upcoming years. Invitations were mailed in January. We have arranged to have an excellent program to follow the business meeting along with refreshments and door prizes. Please plan on attending. The meeting starts promptly at noon.

We appreciate and thank you for your continued support.

OFFICERS AND DIRECTORS	
JAMES LOUGHRIN, President N5054 Tank Rd., New London, WI	
+ MELVIN KRENKE, Vice President N157 Marsh Rd., Fremont, WI	+ JUDY BAUER, Director N5592 County Rd KK, Ogdensburg , WI
+ JANICE POOLE, Secretary-Treasurer 312 N. Pine St. Hortonville, WI	JAMES BEIMAL, Director N8553 County Rd. M, Shiocton, WI
LA WELLYN TESCH, Director 2602 Sunnyview Circle, Appleton, WI	RANDY ERICKSON, Director N9602 County Rd. D, Bear Creek, WI
RALPH THERN, Director W10170 County Rd S, New London, WI	WILLARD GRIESBACH, Director N3227 Hample Rd., Black Creek, WI
+ Up for re-election	

Ellington Mutual Insurance Co
310 N. Olk St.
PO Box 356
Hortonville, WI 54944-0356



130th ANNUAL REPORT



18782008

310 N.OLK STREET
HORTONVILLE, WISCONSIN 54944
TELEPHONE 920-779-4515
TOLL FREE 1-800-953-4515

MEETING NOTICE
The Annual Meeting for the review
of 2008 business, the election of
three directors and any other
business that may come before the
meeting will be held at:

CRYSTAL FALLS BANQUET HALL
1500 Handschke Dr.
New London, WI

12:00 P.M. Saturday
March 14, 2009
Lunch - Refreshments
Door Prizes - Entertainment

Bulk Rate
U.S. Postage
PAID
Hortonville, WI
Permit No. 32

