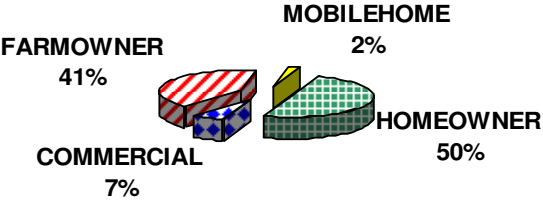


STATEMENT OF OPERATIONS  
STATUTORY BASIS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<b>UNDERWRITING INCOME</b>		
Gross Premium Earned.....	\$2,109,937.04	\$2,123,465.76
Less: Reinsurance Premiums.....	<u>623,017.58</u>	<u>631,824.61</u>
Net Premium Earned.....	1,486,919.46	1,491,641.15
<b>LOSSES INCURRED</b>		
Gross Losses Incurred.....	1,295,952.54	1,566,259.04
Less: Reinsurance Recoveries.....	<u>758,253.88</u>	<u>819,867.85</u>
Net Losses Incurred.....	537,698.66	746,391.19
<b>OPERATING EXPENSES</b>		
Loss Adjusting.....	44,795.23	57,274.88
Agents Commissions.....	277,215.75	282,224.49
130th Anniversary.....	9,831.22	350.90
Advertising.....	21,265.48	25,285.22
Trade Association Dues.....	10,893.00	10,773.00
Salaries.....	220,370.46	234,762.50
Payroll Taxes.....	18,763.58	20,117.62
Pension Expense.....	19,683.22	17,786.34
Health Insurance.....	16,576.00	26,278.17
Insurance.....	13,595.67	11,799.44
Directors' Fees and Expenses.....	17,251.29	19,504.06
Depreciation.....	24,897.85	34,855.48
Printing and Forms.....	3,555.93	2,289.00
Communications.....	19,201.82	18,209.74
Legal and Auditing.....	30,748.40	25,929.60
Property Taxes.....	5,172.90	5,165.30
Investment Expenses.....	14,399.92	14,834.45
Office Maintenance and Supplies.....	54,886.85	36,678.99
Meetings and Education.....	2,013.90	3,202.41
Fire Department Dues.....	13,766.00	12,203.00
Utilities.....	4,051.86	4,421.45
Total Operating Expenses Incurred.....	<u>842,936.33</u>	<u>863,946.04</u>
Total Losses and Operating Expense....	<u>1,380,634.99</u>	<u>1,610,337.23</u>
NET UNDERWRITING INCOME	106,284.47	(118,696.08)
<b>INVESTMENT AND OTHER INCOME</b>		
Net Investment Income.....	160,534.86	157,249.17
Policy Fees.....	98,110.00	96,930.00
Other Income.....	<u>302.67</u>	<u>65.38</u>
Net Investment and Other Income.....	258,947.53	254,244.55
Income Before Income Taxes.....	365,232.00	135,548.47
FEDERAL & STATE INCOME TAXES	<u>121,440.00</u>	<u>38,540.00</u>
NET INCOME	<u>\$243,792.00</u>	<u>\$97,008.47</u>

SOURCES OF PREMIUM



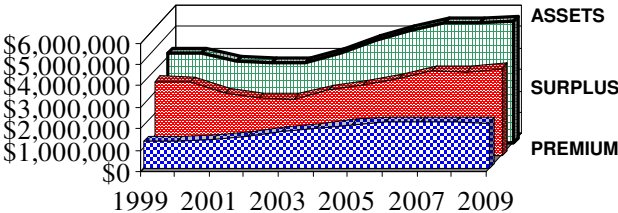
STATEMENT OF ASSETS, LIABILITIES  
AND POLICYHOLDERS' SURPLUS

ASSETS	2009	2008
<b>ADMITTED ASSETS</b>		
Cash in Banks and CDs.....	\$180,479.08	\$210,998.40
Corporate and Municipal Bonds.....	2,780,492.46	2,317,670.60
Corporate Stocks.....	1,974,069.21	2,092,225.24
US Trust—Treasury Money Market .....	232,691.92	300,566.19
Property.....	203,810.00	214,344.00
Premiums Receivable.....	266,218.00	268,123.00
Investment Income Due or Accrued.....	42,143.00	31,829.00
Reinsurance Recoveries Receivable.....	(12,461.91)	117.98
Reinsurance Commissions Receivable .....	6,066.00	6,904.00
Reinsurance Premiums Recoverable.....	<u>0</u>	<u>7,190.00</u>
Total Admitted Assets	\$5,673,507.76	\$5,449,968.41
<b>LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b>		
<b>LIABILITIES</b>		
Net Unpaid Losses & Adjusting Expense...	\$319,342.48	\$400,651.86
Unearned Premiums.....	953,158.79	964,931.47
Premiums Paid in Advance .....	9,460.00	17,285.00
Reinsurance Premiums Payable.....	17,908.00	0
Federal Income Tax Payable .....	76,456.00	21,807.00
State Income Tax Payable .....	4,708.00	6,170.00
Commissions Payable.....	34,810.00	41,490.00
Accrued Property Tax.....	2,396.00	2,377.00
Deferred Income Tax.....	210,230.00	202,420.00
Other Accrued Expenses.....	<u>5,262.71</u>	<u>7,408.09</u>
Total Liabilities	1,633,731.98	1,664,540.42
POLICYHOLDERS' SURPLUS	<u>4,039,775.78</u>	<u>3,785,427.99</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$5,673,507.76</u>	<u>\$5,449,968.41</u>

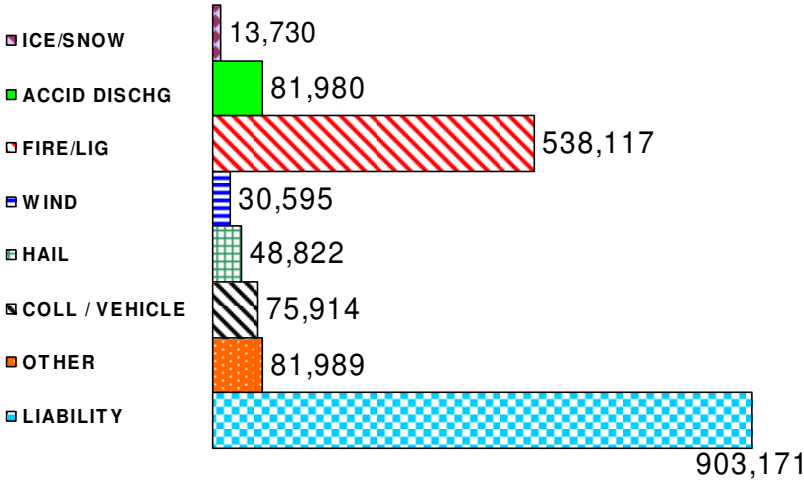
STATEMENT OF CHANGES  
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of year	\$3,785,427.99
Deferred Taxes on Unrealized Gains	1,049.00
Change in Deferred Income Taxes	(8,859.00)
Net Income from Operations and Investments	243,792.00
Change in Non-admitted Assets	15,280.00
Unrealized Capital Gains (Losses)	<u>3,085.79</u>
POLICYHOLDERS' SURPLUS END OF YEAR	<u>\$4,039,775.78</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  
Howard J. Schwartz, Exec Sec/General Manager

AGENTS

Allen Insurance Agency	Greenville area
Tech Insurance	New London area
Tina Auer	Manawa/Bear Creek area
Wiesler Agency	Hortonville/Dale area
Boll Insurance Group	Waupaca area
Tony Lauer Agency	Stephensville/Larsen area
Angela Baker	Seymour area
Wayne Kindschy	Neenah area
Insurance Service Center	De Pere/Shawano 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
Nenning Insurance	Neenah area
Antigo Insurance	Antigo area
Roxanne Johnson Insurance	Stevens Point area
Eiler Agency	Brandon/Green Lake area
Insurance Associates Group	Madison area
First Team Financial	Green Bay/Oshkosh/Manitowoc/ Brillion/Prairie Du Sac

2009 Management Report

As we close 2009, we continue in the midst of a soft, competitive insurance marketplace. The recession continues, however we did see a recovery in our investment portfolio. We were able to add over \$250,000 to surplus from both operations and investments.

Last year I mentioned how fire and lightning claims were one of our most expensive perils. That continued in 2009 with several total house fires and a farm fire paid. Fortunately, the weather was good to us with fewer wind and hail claims.

As in the past, liability claims continue to be a major concern. We paid over \$900,000 in liability claims in 2009. The claims occurred over several different years, however we only collected \$404,000 in liability premiums in 2009. Obviously, this trend needs to be watched closely.

We added several new agencies in 2009 throughout the State of Wisconsin. This expands our coverage territory and spreads our risk over a wider geographic area.

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

Please join us on Tuesday, March 16, 2010, at 7PM for lunch, review of 2009 business, an update of several initiatives and the election of three Directors to guide your company in the upcoming years. We have arranged to have an excellent program complete with refreshments, door prizes and entertainment. Please plan on attending and we appreciate your continued support.

OFFICERS AND DIRECTORS	
+ JAMES LOUGHRIN, President N5054 Tank Rd, New London, WI	
WILLARD GRIESBACH, Vice President N3227 Hample Rd, Black Creek, 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 Cir, Appleton, WI	RANDY ERICKSON, Director N9602 County Rd D, Bear Creek, WI
+ RALPH THERN, Director W10170 County Rd S, New London, WI	MELVIN KRENKE, Director N157 Marsh Rd, Fremont, WI
+ Up for re-election	

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



131st ANNUAL REPORT



18782009

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

MEETING NOTICE

The Annual Meeting for the review of 2009 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

7:00 P.M. Tuesday Evening  
March 16, 2010  
Lunch - Refreshments  
Door Prizes - Entertainment

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



