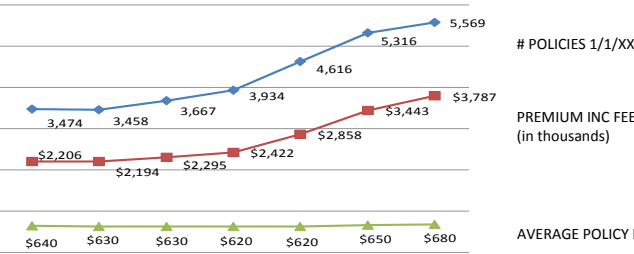


STATEMENT OF OPERATIONS  
STATUTORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
UNDERWRITING INCOME		
Gross Premium Earned.....	\$3,509,346.91	\$3,043,497.65
Less: Reinsurance Premiums.....	<u>1,458,227.08</u>	<u>1,250,666.87</u>
Net Premium Earned.....	2,051,119.83	1,792,830.78
LOSSES INCURRED		
Gross Losses Incurred.....	2,129,372.28	2,237,284.96
Less: Reinsurance Recoveries.....	<u>1,074,221.90</u>	<u>725,699.25</u>
Net Losses Incurred.....	1,055,150.38	1,511,585.71
OPERATING EXPENSES		
Loss Adjusting.....	108,343.04	97,847.51
Loss Adjusting Reinsurance Recoveries	0	0
Agents Commissions.....	556,215.63	524,933.25
Advertising.....	26,507.50	16,989.55
Trade Association Dues.....	13,461.00	11,076.50
Salaries.....	377,164.95	351,110.21
Payroll Taxes.....	35,589.44	39,243.47
Pension Expense.....	27,777.22	26,462.89
Health Insurance.....	52,204.86	52,179.08
Insurance.....	16,938.67	16,938.67
Directors' Fees and Expenses.....	19,677.11	16,175.45
Depreciation.....	20,338.61	20,531.40
Printing and Forms.....	5,536.13	5,523.00
Communications.....	30,678.78	29,759.10
Legal and Auditing.....	32,853.00	36,058.50
Property Taxes.....	6,113.03	5,890.90
Investment Expenses.....	12,006.61	14,403.10
Office Maintenance and Supplies.....	83,148.22	69,861.97
Meetings and Education.....	4,420.14	5,390.76
Fire Department Dues.....	23,875.00	21,759.00
Utilities.....	4,483.43	4,243.80
Total Operating Expenses Incurred.....	<u>1,456,447.01</u>	<u>1,366,378.01</u>
Total Losses and Operating Expense....	<u>2,511,597.39</u>	<u>2,877,963.82</u>
NET UNDERWRITING INCOME	(460,477.56)	(1,085,133.04)
INVESTMENT AND OTHER INCOME		
Net Investment Income.....	141,373.82	185,806.17
Policy Fees.....	163,680.00	154,315.00
Other Income.....	<u>139.50</u>	<u>37.02</u>
Net Investment and Other Income.....	305,193.32	340,158.19
Income Before Income Taxes.....	(155,284.24)	(744,974.85)
FEDERAL & STATE INCOME TAXES	0	0
NET INCOME	<u>(155,284.24)</u>	<u>(744,974.85)</u>

PREMIUM/POLICY COUNT GROWTH 2009 TO 2014

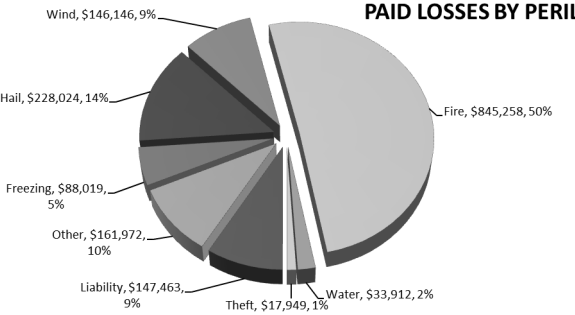


STATEMENT OF ASSETS, LIABILITIES  
AND POLICYHOLDERS’ SURPLUS

ASSETS	2014	2013
ADMITTED ASSETS		
Cash in Banks .....	433,220.16	\$265,766.56
Corporate and Municipal Bonds.....	1,729,254.60	1,713,260.45
Corporate Stocks.....	2,419,948.24	1,936,783.48
Treasury Money Market .....	200,960.90	140,696.50
Property.....	156,980.00	166,391.00
Premiums Receivable.....	383,028.04	385,098.92
Investment Income Due or Accrued.....	21,825.00	22,488.00
Reinsurance Recoveries Receivable.....	4,895.89	(8,303.56)
Reinsurance Commissions Receivable .....	0	0
Reinsurance Premiums Recoverable.....	0	0
Total Admitted Assets	<u>\$5,350,112.83</u>	<u>\$4,622,181.35</u>
LIABILITIES & POLICYHOLDERS’ SURPLUS		
LIABILITIES		
Net Unpaid Losses & Adjusting Expense...	\$388,533.75	\$155,112.05
Unearned Premiums.....	1,708,327.26	1,563,647.47
Premiums Paid in Advance .....	8,801.00	13,246.00
Reinsurance Premiums Payable.....	124,172.00	86,980.00
Federal Income Tax Payable .....	8,396.00	8,396.00
State Income Tax Payable .....	452.00	477.00
Commissions Payable.....	47,964.00	62,370.88
Accrued Property Tax.....	2,693.00	2,630.00
Deferred Income Tax.....	(68,000.00)	(67,990.00)
Other Accrued Expenses.....	83,070.29	58,467.53
Total Liabilities	<u>2,304,409.30</u>	<u>1,883,336.93</u>
POLICYHOLDERS’ SURPLUS	<u>3,045,703.53</u>	<u>2,738,844.42</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$5,350,112.83</u>	<u>\$4,622,181.35</u>

STATEMENT OF CHANGES  
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of Year	\$2,738,844.42
Unrealized Capital Gains (Losses)	463,362.35
Deferred Taxes on Unrealized Gains	(157,543.00)
Change in Deferred Income Taxes	66,901.00
Net Income from Operations and Investments	(155,284.24)
Change in Non-admitted Assets	<u>89,423.00</u>
POLICYHOLDERS’ SURPLUS END OF YEAR	<u>\$3,045,703.53</u>



PERSONNEL

Jan Henn, Operations Supervisor  
Daniel Peeters, Field Services Supervisor  
Carla Knorr, Policy Processing Specialist  
Nancy Weber, Policy Processing Specialist  
Stacy Zelazoski, Policy Processing Specialist  
Laurie Plamann, Policy Processing Specialist  
Ashley Bark, Assistant Policy Processing Specialist  
Ronald Heise, Field Representative  
Scott Miles, Field Representative  
Howard J. Schwartz, President/CEO

AGENCIES

Murph's Insurance Agency	Adams
Mark Boll Insurance	Amherst
Monday-Van Handel Agency	Appleton
Calder Insurance	Appleton
Maurer Insurance Agency	Appleton
McHugh Family Insurance	Appleton
Kerstner Insurance	Bowler
Eiler Agency	Brandon/Green Lake/Oshkosh
BWO-NEW Insurance	Brillion
Insurance Service Center	De Pere
Boehm Insurance	Edger
Parish Insurance Agency	Green Bay
BWO-First Team Financial	Green Bay/Manitowoc
Allen Insurance Agency	Greenville
Wiesler Agency	Hortonville
Universal Insurance	Madison/Milwaukee
Tina Auer Insurance	Manawa/Bear Creek
Eastling Agency	Manawa/Iola
Wagner Casper Insurance	Marinette
Wayne Kindschy	Neenah
Dave Kohler	Neenah
Nenning Insurance	Neenah
WinnebagoLand Insurance	Neenah
BWO-Tech Insurance	New London
BWO Insurance	Oak Creek
Birr Agency	Oconto Falls
All Star Insurance	Oshkosh
Jim Matthews Insurance	Oshkosh
Mitchell Insurance	Oshkosh
Jan Williams Agency	Oshkosh
Townsend's Rite Choice Insurance	Pulaski
Angela Baker	Seymour
Champan Insurance	Wausau
Hometown Insurance	Shawano
Aim Group Insurance	Sheboygan
Insurance and Mortgage Services	Sheboygan
Tony Lauer Agency	Stephensville
Full Service Insurance	Stevens Point
Roxanne Johnson Insurance	Stevens Point
Boll Insurance Group	Waupaca
Thompson Durkee Ins	Wausau
Hutchinson Insurance	Weyauwega
CIS Insurance	Wisconsin Rapids
Conway Insurance Service	Wrightstown

2014 Management Report

We were blessed this year with no significant weather events. We did have about 25 claims from a severe hail storm in the Wisconsin Rapids area. That single event resulted in about \$225,000 in claims. Although the frequency of house fires has stayed in step with our policy growth, the severity has not. We had five significant structure fires during 2014, three of which were over \$250,000, with one over \$400,000. Claims of this nature will have a negative impact on our reinsurance costs for many years to come. Therefore, we have begun to explore other options for reinsurance arrangements as our exposures have continued to grow.

We added two new agencies during 2014 and terminated two others. We continue to be fortunate in the loyalty of our independent agency force. As I stated last year, we continue to get calls frequently from prospective agencies wanting to write for us. We have been very selective in appointments for the last few years. We are only interested in long term profitable relationships. This philosophy helped us grow our policy count by 5% in 2014.

Ellington Mutual launched our new website design in the fall of 2014. This new site not only provides the public with cost and time saving functions, it also offers a secure location for the sharing of information with our agencies. Although our information technology costs and commitment of employee resources continues to rise, the cost of not staying current is even more significant.

Please join us on Tuesday, March 17, 2015, at 7PM for review of 2014 business, an update of several initiatives, lunch 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, Chairman  
N5054 Tank Rd, New London, WI

LAWELLYN TESCH, Vice Chairman  
2602 Sunnyview Cr., Appleton, WI

TERRY SCHLEY, Director  
W10763 Cty. Rd. WW, New London, WI

WILLARD GRIESBACH, Sec.-Treasurer  
N3227 Hample Rd., Black Creek, WI

KEITH SUPRISE, Director  
N7503 County Rd. P, Shiocton, WI

RALPH THERN, Director  
W10170 County Rd S, New London, WI

JUDY BAUER, Director  
N5592 County Rd K, Ogdensburg, WI

JANICE POOLE, Director  
PO Box 205, Hortonville WI

MICHAEL MEHLBERG, Director  
E10949 Lundt Rd., Clintonville, WI

HOWARD J SCHWARTZ,  
President/CEO

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136th ANNUAL REPORT



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Insurance Company

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TOLL FREE 1-800-953-4515  
www.ellingtonmutual.com  
Find us on Facebook



MEETING NOTICE

The Annual Meeting for the review  
of 2014 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 17, 2015  
Lunch - Refreshments  
Door Prizes - Entertainment



PO Box 356  
Hortonville, WI 54944-0356  
Address Service Requested